UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

QUARTERLY PERIOD ENDED June 30, 2015

Commission File Number 1-34073

Huntington Bancshares Incorporated

Maryland	**31-0724920**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

41 South High Street, Columbus, Ohio 43287

Registrant's telephone number (614) 480-8300

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

There were 803,065,757 shares of Registrant's common stock ($0.01 par value) outstanding on June 30, 2015.

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Glossary of Acronyms and Terms

The following listing provides a comprehensive reference of common acronyms and terms used throughout the document:

ABL	Asset Based Lending
ACL	Allowance for Credit Losses
AFCRE	Automobile Finance and Commercial Real Estate
AFS	Available-for-Sale
ALCO	Asset-Liability Management Committee
ALLL	Allowance for Loan and Lease Losses
ARM	Adjustable Rate Mortgage
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	Automated Teller Machine
AULC	Allowance for Unfunded Loan Commitments
Basel III	Refers to the final rule issued by the FRB and OCC and published in the Federal Register on October 11, 2013
C&I	Commercial and Industrial
Camco Financial	Camco Financial Corp.
CCAR	Comprehensive Capital Analysis and Review
CDO	Collateralized Debt Obligations
CDs	Certificate of Deposit
CET1	Common equity tier 1 on a transitional Basel III basis
CFPB	Bureau of Consumer Financial Protection
CFTC	Commodity Futures Trading Commission
CMO	Collateralized Mortgage Obligations
CRE	Commercial Real Estate
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DTA/DTL	Deferred Tax Asset/Deferred Tax Liability
EFT	Electronic Fund Transfer
EPS	Earnings Per Share
EVE	Economic Value of Equity
FASB	Financial Accounting Standards Board
Fannie Mae	(see FNMA)
FDIC	Federal Deposit Insurance Corporation
FDICIA	Federal Deposit Insurance Corporation Improvement Act of 1991
FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FICO	Fair Isaac Corporation
FNMA	Federal National Mortgage Association
FRB	Federal Reserve Bank
Freddie Mac	(see FHLMC)
FTE	Fully-Taxable Equivalent
FTP	Funds Transfer Pricing
GAAP	Generally Accepted Accounting Principles in the United States of America
GNMA	Government National Mortgage Association, or Ginnie Mae
HAMP	Home Affordable Modification Program

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HARP	Home Affordable Refinance Program
HIP	Huntington Investment and Tax Savings Plan
HQLA	High Quality Liquid Asset
HTM	Held-to-Maturity
HTF	Huntington Technology Finance (formerly Macquarie)
IRS	Internal Revenue Service
LCR	Liquidity Coverage Ratio
LIBOR	London Interbank Offered Rate
LGD	Loss-Given-Default
LIHTC	Low Income Housing Tax Credit
LTV	Loan to Value
Macquarie	Macquarie Equipment Finance, Inc. (U.S. operations)
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MSA	Metropolitan Statistical Area
MSR	Mortgage Servicing Rights
NAICS	North American Industry Classification System
NALs	Nonaccrual Loans
NCO	Net Charge-off
NII	Net Interest Income
NIM	Net Interest Margin
NCO	Net Charge-off
NIM	Net Interest Margin
NPA	Nonperforming Asset
N.R.	Not relevant. Denominator of calculation is a gain in the current period compared with a loss in the prior period, or vice-versa
OCC	Office of the Comptroller of the Currency
OCI	Other Comprehensive Income (Loss)
OCR	Optimal Customer Relationship
OLEM	Other Loans Especially Mentioned
OREO	Other Real Estate Owned
OTTI	Other-Than-Temporary Impairment
Plan	Huntington Bancshares Retirement Plan
Problem Loans	Includes nonaccrual loans and leases (Table 15), troubled debt restructured loans (Table 16), accruing loans and leases past due 90 days or more (aging analysis section of Footnote 3), and Criticized commercial loans (credit quality indicators section of Footnote 3).
RBHPCG	Regional Banking and The Huntington Private Client Group
RCSA	Risk and Control Self-Assessments
REIT	Real Estate Investment Trust
ROC	Risk Oversight Committee
RWA	Risk-Weighted Assets
SAD	Special Assets Division
SBA	Small Business Administration
SEC	Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SRIP	Supplemental Retirement Income Plan
SSFA	Simplified Supervisory Formula Approach
TCE	Tangible Common Equity
TDR	Troubled Debt Restructured Loan

U.S. Treasury	U.S. Department of the Treasury
UCS	Uniform Classification System
UDAP	Unfair or Deceptive Acts or Practices
UPB	Unpaid Principal Balance
USDA	U.S. Department of Agriculture
VIE	Variable Interest Entity
XBRL	eXtensible Business Reporting Language

PART I. FINANCIAL INFORMATION

When we refer to “we”, “our”, and “us” in this report, we mean Huntington Bancshares Incorporated and our consolidated subsidiaries, unless the context indicates that we refer only to the parent company, Huntington Bancshares Incorporated. When we refer to the “Bank” in this report, we mean our only bank subsidiary, The Huntington National Bank, and its subsidiaries.

Item 2: Management’s Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

We are a multi-state diversified regional bank holding company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Through the Bank, we have 149 years of servicing the financial needs of our customers. Through our subsidiaries, we provide full-service commercial and consumer banking services, mortgage banking services, automobile financing, equipment leasing, investment management, trust services, brokerage services, insurance service programs, and other financial products and services. Our 735 branches are located in Ohio, Michigan, Pennsylvania, Indiana, West Virginia, and Kentucky. Selected financial services and other activities are also conducted in various other states. International banking services are available through the headquarters office in Columbus, Ohio and a limited purpose office located in the Cayman Islands and another limited purpose office located in Hong Kong. Our foreign banking activities, in total or with any individual country, are not significant.

This MD&A provides information we believe necessary for understanding our financial condition, changes in financial condition, results of operations, and cash flows. The MD&A included in our 2014 Form 10-K should be read in conjunction with this MD&A as this discussion provides only material updates to the 2014 Form 10-K. This MD&A should also be read in conjunction with the Unaudited Condensed Consolidated Financial Statements, Notes to Unaudited Condensed Consolidated Financial Statements, and other information contained in this report.

Our discussion is divided into key segments:

- **Executive Overview**—Provides a summary of our current financial performance and business overview, including our thoughts on the impact of the economy, legislative and regulatory initiatives, and recent industry developments. This section also provides our outlook regarding our expectations for the next several quarters.
- **Discussion of Results of Operations**—Reviews financial performance from a consolidated Company perspective. It also includes a Significant Items section that summarizes key issues helpful for understanding performance trends. Key consolidated average balance sheet and income statement trends are also discussed in this section.
- **Risk Management and Capital**—Discusses credit, market, liquidity, operational, and compliance risks, including how these are managed, as well as performance trends. It also includes a discussion of liquidity policies, how we obtain funding, and related performance. In addition, there is a discussion of guarantees and / or commitments made for items such as standby letters of credit and commitments to sell loans, and a discussion that reviews the adequacy of capital, including regulatory capital requirements.
- **Business Segment Discussion**—Provides an overview of financial performance for each of our major business segments and provides additional discussion of trends underlying consolidated financial performance.
- **Additional Disclosures**—Provides comments on important matters including forward-looking statements, critical accounting policies and use of significant estimates, and recent accounting pronouncements and developments.

A reading of each section is important to understand fully the nature of our financial performance and prospects.

EXECUTIVE OVERVIEW

Summary of 2015 Second Quarter Results Compared to 2014 Second Quarter

For the quarter, we reported net income of $196.2 million, or $0.23 per common share, compared with $164.6 million, or $0.19 per common share, in the year-ago quarter (*see Table 1*).

Fully-taxable equivalent net interest income was $498.6 million, up $32.0 million, or 7%. The results reflected the benefit from a $5.5 billion, or 10%, increase in average earning assets, partially offset by an 8 basis point reduction in the net interest margin to 3.20%. Average earning asset growth included a $2.9 billion, or 6%, increase in average loans and leases, a $1.6 billion, or 14%, increase in average securities, and a $1.0 billion increase in average loans held-for-sale. The NIM contraction reflected an 8 basis point decrease related to the mix and yield of earning assets and a 2 basis point increase in funding costs, partially offset by a 2 basis point increase in the benefit from noninterest-bearing funds. While not affecting average balances, $0.8 billion of bank-level senior debt was issued at the end of the 2015 second quarter.

The provision for credit losses was $20.4 million, down $9.0 million, or 31%. NCOs were $25.4 million, down $3.3 million, or 11%. NCOs represented an annualized 0.21% of average loans and leases in the current quarter down from 0.25%. We remain pleased with the net charge-off performance across the entire portfolio. Consumer credit metrics continue to show an improving trend, while the commercial portfolios continue to experience some quarter-to-quarter volatility.

Noninterest income was $281.8 million, up $31.7 million, or 13%. The increase primarily reflected an increase in mortgage banking income of $15.8 million, or 70%, including an increase in origination and secondary marketing revenues, reflecting a higher gain on sale margin, and a net benefit from MSR hedging activities. In addition, other noninterest income increased $8.6 million, or 24%, primarily reflecting equipment operating lease income related to Macquarie Equipment Finance, which we have re-branded Huntington Technology Finance (HTF). Also, gain on sale of loans increased $8.5 million, or 218%, including the $5.3 million gain from the $0.8 billion automobile loan securitization and sale completed in the 2015 second quarter.

Noninterest expense was $491.8 million, up $33.1 million, or 7%. The increase primarily reflected an increase in personnel costs of $21.5 million, or 8%, reflecting the May implementation of annual merit increases, the addition of HTF employees, and an increase in benefits expense. In addition, other noninterest expense increased $7.8 million, or 23%, primarily reflecting operating lease expense related to HTF.

The tangible common equity to tangible assets ratio was 7.91% at June 30, 2015, down 47 basis points. On a Basel III transitional basis, the regulatory common equity tier 1 (CET1) risk-based capital ratio was 9.65% at June 30, 2015, and the regulatory tier 1 risk-based capital ratio was 10.41%. On a Basel I basis, the tier 1 common risk-based capital ratio was 10.26% at June 30, 2014, and the regulatory tier 1 risk-based capital ratio was 11.56%. All capital ratios were impacted by the repurchase of 22.8 million common shares over the last four quarters.

Business Overview

General

Our general business objectives are: (1) grow net interest income and fee income, (2) deliver positive operating leverage, (3) increase primary relationships across all business segments, (4) continue to strengthen risk management and reduce volatility, and (5) maintain strong capital and liquidity positions.

We reported good quarterly earnings that are increasingly being driven by our differentiated strategy and disciplined execution. Total revenue increased 9% year-over-year with net interest income and fee income contributing meaningfully to revenue performance. We received an immediate benefit to our earnings from HTF, while robust mortgage lending volume drove growth in mortgage banking income. Our capital markets and treasury management businesses, among others, also produced strong results.

The success we are seeing on the revenue front provides us the important opportunity to invest further in our business, though we continue to pace these investments to ensure attainment of full-year positive operating leverage. We also remain pleased with the credit performance of our portfolio.

Economy

Our regional economy has experienced strong growth, generally in line with or exceeding the national average. Economic and employment growth in some of our large metro areas has been well above the national average. Resulting in part from cyclically high vehicle sales and production, economic growth has been especially strong in Michigan and Indiana. Ohio's diverse economy should benefit from a strong services sector and rising domestic demand for automobiles and other Ohio produced products. The diverse economies of Pennsylvania and Kentucky are fundamentally strong and expected to continue solid growth into next year.

Low energy prices are generally a net benefit to the large manufacturing economies of Michigan, Ohio and Indiana, as much of the manufacturing in these areas has high petroleum inputs. However, low energy prices have been more challenging for high energy production areas. These areas are generally concentrated in localities in Eastern Ohio, Western Pennsylvania and especially in West Virginia where low coal prices have had a relatively large macroeconomic impact.

Home purchase prices are rising in our footprint states and the nation. In addition, office vacancy rates in our largest MSAs continue to improve. Further, industrial vacancy rates in most of our largest footprint MSAs have been below the national average, reflecting generally healthy industrial real estate markets.

Legislative and Regulatory

Regulatory reforms continue to be adopted, including the 2015 first quarter implementation of the Basel III regulatory capital requirements.

Basel III Regulatory Capital Requirements—In 2013, the Federal Reserve voted to adopt final capital rules implementing Basel III requirements for U.S. Banking organizations, which were effective for us beginning January 1, 2015. The final rules establish an integrated regulatory capital framework and implement in the United States the Basel III regulatory capital reforms from the Basel Committee on Banking Supervision and certain changes required by the Dodd-Frank Act. Consistent with the international Basel framework, the final rule includes a new regulatory minimum ratio of common equity tier 1 capital to risk-weighted assets. The rule also raises the minimum ratio of tier 1 capital to risk-weighted assets and includes a minimum leverage ratio of 4%. The Basel III capital rules establish two methodologies for calculating risk-weighted assets, the advanced and standardized approaches. We are subject to the standardized approach for calculating risk-weighted assets. The implementation of the Basel III capital requirements is transitional and phases-in through the end of 2018.

Conforming Covered Activities to Implement the Volcker Rule—On December 10, 2013, the Federal Reserve, the OCC, the FDIC, the CFTC and the SEC issued final rules to implement the Volcker Rule contained in section 619 of the Dodd-Frank Act, and established July 21, 2015, as the end of the conformance period. The Volcker Rule prohibits an insured depository institution and any company that controls an insured depository institution (such as a bank holding company), and any of their subsidiaries and affiliates (referred to as "banking entities") from: (i) engaging in "proprietary trading" and (ii) investing in or sponsoring certain types of funds ("covered funds") subject to certain limited exceptions. These prohibitions impact the ability of U.S. banking entities to provide investment management products and services that are competitive with nonbanking firms generally and with non-U.S. banking organizations in overseas markets. The rule also effectively prohibits short-term trading strategies by any U.S. banking entity if those strategies involve instruments other than those specifically permitted for trading. Because the Company has over $50 billion in assets, it is subject to Volcker enhanced compliance requirements. As such the company has completed Volcker Rule due diligence, built its compliance program, and implemented training and on-going reporting requirements. Huntington believes it has achieved required conformance on July 21, 2015 and will deliver the required attestation on or before March 31, 2016.

Expectations – 2015

We are bullish about the Midwest economy creating increasing opportunities for us with both our consumer and business customers. We saw momentum build across our businesses as loan and deposit growth accelerated in the back half of the quarter and our pipelines grew. We will continue to grow our loan portfolio prudently while remaining aligned with our aggregate moderate-to-low risk appetite. We also will deliver full-year positive operating leverage as we balance investment in the businesses for the long term, including digital technology, data analytics, and in-store branches, with the near-term revenue outlook.

The commitment to positive operating leverage for full-year 2015, excluding Significant Items and net MSR activity, is both inclusive and exclusive of the impact of HTF. We continue to expect noninterest expense growth of 2-4% for the year, excluding Significant Items and the recurring expense related to HTF. On a reported basis, we expect quarterly noninterest expense will remain near the 2015 second quarter level for the remainder of 2015.

Overall, asset quality metrics are expected to remain near current levels across the portfolio. Moderate quarterly volatility is expected given the absolute low level of problem assets and credit costs. We anticipate NCOs will remain within or below our long-term normalized range of 35 to 55 basis points.

The effective tax rate for the remainder of 2015 is expected to be in the range of 24% to 27%.

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DISCUSSION OF RESULTS OF OPERATIONS

This section provides a review of financial performance from a consolidated perspective. It also includes a “Significant Items” section that summarizes key issues important for a complete understanding of performance trends. Key Unaudited Condensed Consolidated Balance Sheet and Unaudited Condensed Statement of Income trends are discussed. All earnings per share data are reported on a diluted basis. For additional insight on financial performance, please read this section in conjunction with the “Business Segment Discussion.”

Table 1—Selected Quarterly Income Statement Data (1)

	2015		2014		
(dollar amounts in thousands, except per share amounts)	**Second**	**First**	Fourth	Third	Second
Interest income	**$529,795**	**$502,096**	$507,625	$501,060	$495,322
Interest expense	**39,109**	**34,411**	34,373	34,725	35,274
Net interest income	**490,686**	**467,685**	473,252	466,335	460,048
Provision for credit losses	**20,419**	**20,591**	2,494	24,480	29,385
Net interest income after provision for credit losses	**470,267**	**447,094**	470,758	441,855	430,663
Service charges on deposit accounts	**70,118**	**62,220**	67,408	69,118	72,633
Trust services	**26,550**	**29,039**	28,781	28,045	29,581
Electronic banking	**30,259**	**27,398**	27,993	27,275	26,491
Mortgage banking income	**38,518**	**22,961**	14,030	25,051	22,717
Brokerage income	**15,184**	**15,500**	16,050	17,155	17,905
Insurance income	**17,637**	**15,895**	16,252	16,729	15,996
Bank owned life insurance income	**13,215**	**13,025**	14,988	14,888	13,865
Capital markets fees	**13,192**	**13,905**	13,791	10,246	10,500
Gain on sale of loans	**12,453**	**4,589**	5,408	8,199	3,914
Securities gains (losses)	**82**	**—**	(104)	198	490
Other income	**44,565**	**27,091**	28,681	30,445	35,975
Total noninterest income	**281,773**	**231,623**	233,278	247,349	250,067
Personnel costs	**282,135**	**264,916**	263,289	275,409	260,600
Outside data processing and other services	**58,508**	**50,535**	53,685	53,073	54,338
Net occupancy	**28,861**	**31,020**	31,565	34,405	28,673
Equipment	**31,694**	**30,249**	31,981	30,183	28,749
Professional services	**12,593**	**12,727**	15,665	13,763	17,896
Marketing	**15,024**	**12,975**	12,466	12,576	14,832
Deposit and other insurance expense	**11,787**	**10,167**	13,099	11,628	10,599
Amortization of intangibles	**9,960**	**10,206**	10,653	9,813	9,520
Other expense	**41,215**	**36,062**	50,868	39,468	33,429
Total noninterest expense	**491,777**	**458,857**	483,271	480,318	458,636
Income before income taxes	**260,263**	**219,860**	220,765	208,886	222,094
Provision for income taxes	**64,057**	**54,006**	57,151	53,870	57,475
Net income	**$196,206**	**$165,854**	$163,614	$155,016	$164,619
Dividends on preferred shares	**7,968**	**7,965**	7,963	7,964	7,963
Net income applicable to common shares	**$188,238**	**$157,889**	$155,651	$147,052	$156,656
Average common shares—basic	**806,891**	**809,778**	811,967	816,497	821,546
Average common shares—diluted	**820,238**	**823,809**	825,338	829,623	834,687
Net income per common share—basic	**$ 0.23**	**$ 0.19**	$ 0.19	$ 0.18	$ 0.19
Net income per common share—diluted	**0.23**	**0.19**	0.19	0.18	0.19
Cash dividends declared per common share	**0.06**	**0.06**	0.06	0.05	0.05
Return on average total assets	**1.16%**	**1.02%**	1.00%	0.97%	1.07%
Return on average common shareholders’ equity	**12.3**	**10.6**	10.3	9.9	10.8
Return on average tangible common shareholders’ equity (2)	**14.4**	**12.2**	11.9	11.4	12.4
Net interest margin (3)	**3.20**	**3.15**	3.18	3.20	3.28
Efficiency ratio (4)	**61.7**	**63.5**	66.2	65.3	62.7
Effective tax rate	**24.6**	**24.6**	25.9	25.8	25.9
Revenue—FTE					
Net interest income	**$490,686**	**$467,685**	$473,252	$466,335	$460,048
FTE adjustment	**7,962**	**7,560**	7,522	7,506	6,637
Net interest income (3)	**498,648**	**475,245**	480,774	473,841	466,685
Noninterest income	**281,773**	**231,623**	233,278	247,349	250,067
Total revenue (3)	**$780,421**	**$706,868**	$714,052	$721,190	$716,752

(1) Comparisons for presented periods are impacted by a number of factors. Refer to the “Significant Items” for additional discussion regarding these key factors.

(2) Net income excluding expense for amortization of intangibles for the period divided by average tangible common shareholders’ equity. Average tangible common shareholders’ equity equals average total common shareholders’ equity less average intangible assets and goodwill. Expense for amortization of intangibles and average intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.

(3) On a fully-taxable equivalent (FTE) basis assuming a 35% tax rate.

(4) Noninterest expense less amortization of intangibles and goodwill impairment divided by the sum of FTE net interest income and noninterest income excluding securities gains.

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Table 2—Selected Year to Date Income Statement Data (1)

(dollar amounts in thousands, except per share amounts)	Six Months Ended June 30, 2015	2014	Change Amount	Percent
Interest income	**$1,031,891**	$ 967,777	$ 64,114	7%
Interest expense	**73,520**	70,223	3,297	5
Net interest income	**958,371**	897,554	60,817	7
Provision for credit losses	**41,010**	54,015	(13,005)	(24)
Net interest income after provision for credit losses	**917,361**	843,539	73,822	9
Service charges on deposit accounts	**132,338**	137,215	(4,877)	(4)
Trust services	**55,589**	59,146	(3,557)	(6)
Electronic banking	**57,657**	50,133	7,524	15
Mortgage banking income	**61,479**	45,807	15,672	34
Brokerage income	**30,684**	35,072	(4,388)	(13)
Insurance income	**33,532**	32,492	1,040	3
Bank owned life insurance income	**26,240**	27,172	(932)	(3)
Capital markets fees	**27,097**	19,694	7,403	38
Gain on sale of loans	**17,042**	7,484	9,558	128
Securities gains (losses)	**82**	17,460	(17,378)	(100)
Other income	**71,656**	66,877	4,779	7
Total noninterest income	**513,396**	498,552	14,844	3
Personnel costs	**547,051**	510,077	36,974	7
Outside data processing and other services	**109,043**	105,828	3,215	3
Net occupancy	**59,881**	62,106	(2,225)	(4)
Equipment	**61,943**	57,499	4,444	8
Professional services	**25,320**	30,127	(4,807)	(16)
Marketing	**27,999**	25,518	2,481	10
Deposit and other insurance expense	**21,954**	24,317	(2,363)	(10)
Amortization of intangibles	**20,166**	18,811	1,355	7
Other expense	**77,277**	84,474	(7,197)	(9)
Total noninterest expense	**950,634**	918,757	31,877	3
Income before income taxes	**480,123**	423,334	56,789	13
Provision for income taxes	**118,063**	109,572	8,491	8
Net income	**$ 362,060**	$ 313,762	$ 48,298	15%
Dividends declared on preferred shares	**15,933**	15,927	6	—
Net income applicable to common shares	**$ 346,127**	$ 297,835	$ 48,292	16%
Average common shares—basic	**808,335**	825,603	(17,268)	(2)%
Average common shares—diluted	**822,023**	838,546	(16,523)	(2)
Per common share				
Net income per common share—basic	**$ 0.43**	$ 0.36	$ 0.07	19%
Net income per common share—diluted	**0.42**	0.36	0.06	17
Cash dividends declared	**0.12**	0.10	0.02	20
Revenue—FTE				
Net interest income	**$ 958,371**	$ 897,554	$ 60,817	7%
FTE adjustment	**15,522**	12,522	3,000	24
Net interest income (2)	**973,893**	910,076	63,817	7
Noninterest income	**513,396**	498,552	14,844	3
Total revenue (2)	**$1,487,289**	$1,408,628	$ 78,661	6%

(1) Comparisons for presented periods are impacted by a number of factors. Refer to the “Significant Items” for additional discussion regarding these key factors.
(2) On a fully taxable equivalent (FTE) basis assuming a 35% tax rate.

Significant Items

Definition of Significant Items

From time-to-time, revenue, expenses, or taxes are impacted by items judged by us to be outside of ordinary banking activities and / or by items that, while they may be associated with ordinary banking activities, are so unusually large that their outsized impact is believed by us at that time to be infrequent or short-term in nature. We refer to such items as Significant Items. Most often, these Significant Items result from factors originating outside the Company; e.g., regulatory actions / assessments, windfall gains, changes in accounting principles, one-time tax assessments / refunds, litigation actions, etc. In other cases, they may result from our decisions associated with significant corporate actions outside of the ordinary course of business; e.g., merger / restructuring charges, recapitalization actions, goodwill impairment, etc.

Even though certain revenue and expense items are naturally subject to more volatility than others due to changes in market and economic environment conditions, as a general rule volatility alone does not define a Significant Item. For example, changes in the provision for credit losses, gains / losses from investment activities, asset valuation writedowns, etc., reflect ordinary banking activities and are, therefore, typically excluded from consideration as a Significant Item.

We believe the disclosure of Significant Items provides a better understanding of our performance and trends to ascertain which of such items, if any, to include or exclude from an analysis of our performance; i.e., within the context of determining how that performance differed from expectations, as well as how, if at all, to adjust estimates of future performance accordingly. To this end, we adopted a practice of listing Significant Items in our external disclosure documents; e.g., earnings press releases, investor presentations, Forms 10-Q and 10-K.

Significant Items for any particular period are not intended to be a complete list of items that may materially impact current or future period performance.

Significant Items Influencing Financial Performance Comparisons

Earnings comparisons were impacted by the Significant Items summarized below:

1. **Merger and Acquisition.** Significant events relating to mergers and acquisitions, and the impacts of those events on our reported results, were as follows:
   - During the 2014 second quarter, $0.8 million of noninterest expense was recorded related to the acquisition of 24 Bank of America branches.
   - During the 2014 first quarter, $12.6 million of noninterest expense and $0.8 million of noninterest income was recorded related to the acquisition of Camco Financial. This net $11.8 million resulted in a negative impact of $0.01 per common share.
2. **Litigation Reserve.** During the 2014 first quarter, $9.0 million of net additions to litigation reserves were recorded as other noninterest expense. This resulted in a negative impact of $0.01 per common share.

The following table reflects the earnings impact of the above-mentioned Significant Items for periods affected by this Results of Operations discussion:

Table 3—Significant Items Influencing Earnings Performance Comparison

	Three Months Ended					
	June 30, 2015 (4)		March 31, 2015 (4)		June 30, 2014	
(dollar amounts in thousands, except per share amounts)	**After-tax**	**EPS (2)(3)**	After-tax	EPS (2)(3)	After-tax	EPS (2)(3)
Net income	**$ 196,206**		$ 165,854		$ 164,619	
Earnings per share, after-tax		**$ 0.23**		$ 0.19		$ 0.19
Significant Items—favorable (unfavorable) impact:	**Earnings (1)**	**EPS (2)(3)**	Earnings (1)	EPS (2)(3)	Earnings (1)	EPS (2)(3)
Mergers and acquisitions, net	**$ —**	**$ —**	$ —	$ —	$ (775)	$ —

(1) Pretax.

(2) Based on average outstanding diluted common shares.

(3) After-tax.

(4) The 2015 first and second quarter included $3.4 million and $1.5 million, respectively, of merger-related expense that was not a Significant Item for the first six-month period of 2015, but merger-related expense is expected to be a Significant Item for the 2015 full year.

	Six Months Ended			
	June 30, 2015 (4)		June 30, 2014	
(dollar amounts in thousands)	**After-tax**	**EPS (2)(3)**	After-tax	EPS (2)(3)
Net income	**$ 362,060**		$ 313,762	
Earnings per share, after-tax		**$ 0.42**		$ 0.36
Significant Items—favorable (unfavorable) impact:	**Earnings (1)**	**EPS (2)(3)**	Earnings (1)	EPS (2)(3)
Merger and acquisition, net	**$ —**	**$ —**	$ (12,598)	$ (0.01)
Net Additions to Litigation Reserve	—	—	(9,000)	(0.01)

(1) Pretax unless otherwise noted.

(2) Based on average outstanding diluted common shares.

(3) After-tax.

(4) The 2015 first and second quarter included $3.4 million and $1.5 million, respectively, of merger-related expense that was not a Significant Item for the first six-month period of 2015, but merger-related expense is expected to be a Significant Item for the 2015 full year.

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Net Interest Income / Average Balance Sheet

The following tables detail the change in our average balance sheet and the net interest margin:

Table 4—Consolidated Quarterly Average Balance Sheets

	Average Balances					Change	
	2015		2014			2Q15 vs. 2Q14	
(dollar amounts in millions)	**Second**	**First**	Fourth	Third	Second	Amount	Percent
Assets:							
Interest-bearing deposits in banks	**$ 89**	**$ 94**	$ 85	$ 82	$ 91	$ (2)	(2)%
Loans held for sale	**1,272**	**381**	374	351	288	984	342
Securities:							
Available-for-sale and other securities:							
Taxable	**7,916**	**7,664**	7,291	6,935	6,662	1,254	19
Tax-exempt	**2,028**	**1,874**	1,684	1,620	1,290	738	57
Total available-for-sale and other securities	**9,944**	**9,538**	8,975	8,555	7,952	1,992	25
Trading account securities	**41**	**53**	49	50	45	(4)	(9)
Held-to-maturity securities—taxable	**3,324**	**3,347**	3,435	3,556	3,677	(353)	(10)
Total securities	**13,309**	**12,938**	12,459	12,161	11,674	1,635	14
Loans and leases: (1)							
Commercial:							
Commercial and industrial	**19,819**	**19,116**	18,880	18,581	18,262	1,557	9
Commercial real estate:							
Construction	**970**	**887**	822	775	702	268	38
Commercial	**4,214**	**4,275**	4,262	4,188	4,345	(131)	(3)
Commercial real estate	**5,184**	**5,162**	5,084	4,963	5,047	137	3
Total commercial	**25,003**	**24,278**	23,964	23,544	23,309	1,694	7
Consumer:							
Automobile	**8,083**	**8,783**	8,512	8,012	7,349	734	10
Home equity	**8,503**	**8,484**	8,452	8,412	8,376	127	2
Residential mortgage	**5,859**	**5,810**	5,751	5,747	5,608	251	4
Other consumer	**451**	**425**	413	398	382	69	18
Total consumer	**22,896**	**23,502**	23,128	22,569	21,715	1,181	5
Total loans and leases	**47,899**	**47,780**	47,092	46,113	45,024	2,875	6
Allowance for loan and lease losses	**(608)**	**(612)**	(631)	(633)	(642)	34	(5)
Net loans and leases	**47,291**	**47,168**	46,461	45,480	44,382	2,909	7
Total earning assets	**62,569**	**61,193**	60,010	58,707	57,077	5,492	10
Cash and due from banks	**926**	**935**	929	887	872	54	6
Intangible assets	**745**	**593**	602	583	591	154	26
All other assets	**4,251**	**4,142**	4,022	3,929	3,932	319	8
Total assets	**$67,883**	**$66,251**	$64,932	$63,473	$61,830	$6,053	10%
Liabilities and Shareholders' Equity:							
Deposits:							
Demand deposits—noninterest-bearing	**$15,893**	**$15,253**	$15,179	$14,090	$13,466	$2,427	18%
Demand deposits—interest-bearing	**6,584**	**6,173**	5,948	5,913	5,945	639	11
Total demand deposits	**22,477**	**21,426**	21,127	20,003	19,411	3,066	16
Money market deposits	**18,803**	**19,368**	18,401	17,929	17,680	1,123	6
Savings and other domestic deposits	**5,273**	**5,169**	5,052	5,020	5,086	187	4
Core certificates of deposit	**2,639**	**2,814**	3,058	3,167	3,434	(795)	(23)
Total core deposits	**49,192**	**48,777**	47,638	46,119	45,611	3,581	8
Other domestic time deposits of $250,000 or more	**184**	**195**	201	223	262	(78)	(30)
Brokered deposits and negotiable CDs	**2,701**	**2,600**	2,434	2,262	2,070	631	30
Deposits in foreign offices	**562**	**557**	479	374	315	247	78
Total deposits	**52,639**	**52,129**	50,752	48,978	48,258	4,381	9
Short-term borrowings	**2,153**	**1,882**	2,683	3,193	2,788	(635)	(23)
Long-term debt	**5,144**	**4,374**	3,956	3,967	3,523	1,621	46
Total interest-bearing liabilities	**44,043**	**43,132**	42,212	42,048	41,103	2,940	7
All other liabilities	**1,430**	**1,450**	1,167	1,043	1,033	397	38
Shareholders' equity	**6,517**	**6,416**	6,374	6,292	6,228	289	5
Total liabilities and shareholders' equity	**$67,883**	**$66,251**	$64,932	$63,473	$61,830	$6,053	10%

(1) For purposes of this analysis, NALs are reflected in the average balances of loans.

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Table 5—Consolidated Quarterly Net Interest Margin Analysis

	Average Yield Rates (2)				
	2015		2014		
Fully-taxable equivalent basis (1)	**Second**	**First**	Fourth	Third	Second
Assets:					
Interest-bearing deposits in banks	**0.08%**	**0.18%**	0.23%	0.19%	0.04%
Loans held for sale	**3.32**	**3.69**	3.82	3.98	4.27
Securities:					
Available-for-sale and other securities:					
Taxable	**2.60**	**2.50**	2.61	2.48	2.52
Tax-exempt	**3.13**	**3.05**	3.26	3.02	3.15
Total available-for-sale and other securities	**2.71**	**2.61**	2.73	2.59	2.63
Trading account securities	**1.00**	**1.17**	1.05	0.85	0.70
Held-to-maturity securities—taxable	**2.50**	**2.47**	2.45	2.45	2.46
Total securities	**2.65**	**2.57**	2.65	2.54	2.57
Loans and leases: (3)					
Commercial:					
Commercial and industrial	**3.61**	**3.33**	3.35	3.45	3.49
Commercial real estate:					
Construction	**3.60**	**3.81**	4.30	4.38	4.29
Commercial	**3.41**	**3.57**	3.47	3.60	4.16
Commercial real estate	**3.45**	**3.62**	3.60	3.72	4.17
Total commercial	**3.58**	**3.39**	3.40	3.51	3.64
Consumer:					
Automobile	**3.20**	**3.24**	3.33	3.41	3.47
Home equity	**3.97**	**4.03**	4.05	4.07	4.12
Residential mortgage	**3.72**	**3.75**	3.84	3.78	3.77
Other consumer	**8.45**	**8.20**	7.68	7.31	7.34
Total consumer	**3.73**	**3.74**	3.80	3.82	3.87
Total loans and leases	**3.65**	**3.56**	3.60	3.66	3.75
Total earning assets	**3.45%**	**3.38%**	3.41%	3.44%	3.53%
Liabilities:					
Deposits:					
Demand deposits—noninterest-bearing	**— %**	**— %**	— %	— %	— %
Demand deposits—interest-bearing	**0.06**	**0.05**	0.04	0.04	0.04
Total demand deposits	**0.02**	**0.01**	0.01	0.01	0.01
Money market deposits	**0.22**	**0.21**	0.22	0.23	0.24
Savings and other domestic deposits	**0.14**	**0.15**	0.16	0.16	0.17
Core certificates of deposit	**0.78**	**0.76**	0.75	0.74	0.81
Total core deposits	**0.22**	**0.22**	0.23	0.23	0.25
Other domestic time deposits of $250,000 or more	**0.44**	**0.42**	0.43	0.44	0.43
Brokered deposits and negotiable CDs	**0.17**	**0.17**	0.18	0.20	0.24
Deposits in foreign offices	**0.13**	**0.13**	0.13	0.13	0.13
Total deposits	**0.22**	**0.22**	0.23	0.23	0.25
Short-term borrowings	**0.14**	**0.12**	0.12	0.11	0.10
Long-term debt	**1.44**	**1.31**	1.35	1.35	1.44
Total interest-bearing liabilities	**0.36%**	**0.32%**	0.32%	0.33%	0.34%
Net interest rate spread	**3.09%**	**3.06%**	3.09%	3.11%	3.19%
Impact of noninterest-bearing funds on margin	**0.11**	**0.09**	0.09	0.09	0.09
Net interest margin	**3.20%**	**3.15%**	3.18%	3.20%	3.28%

(1) FTE yields are calculated assuming a 35% tax rate.
(2) Loan, lease, and deposit average rates include impact of applicable derivatives, non-deferrable fees, and amortized fees.
(3) For purposes of this analysis, NALs are reflected in the average balances of loans.

2015 Second Quarter versus 2014 Second Quarter

Fully-taxable equivalent net interest income increased $32.0 million, or 7%, from the 2014 second quarter. This reflected the benefit from the $5.5 billion, or 10%, increase in average earning assets partially offset by an 8 basis point reduction in the fully-taxable equivalent net interest margin to 3.20%. Average earning asset growth included a $2.9 billion, or 6%, increase in average loans and leases, a $1.6 billion, or 14%, increase in average securities, and a $1.0 billion increase in average loans held-for-sale. The NIM contraction reflected an 8 basis point decrease related to the mix and yield of earning assets and 2 basis point increase in funding costs, partially offset by the 2 basis point increase in the benefit from noninterest-bearing funds.

Average earning assets increased $5.5 billion, or 10%, from the year-ago quarter, driven by:

- $1.6 billion, or 9%, increase in average C&I loans and leases, primarily reflecting the $0.8 billion of equipment finance leases acquired in the HTF transaction as well as growth in the international vertical and corporate banking.
- $1.6 billion, or 14%, increase in average securities, reflecting an increase of $1.8 billion of Liquidity Coverage Ratio (LCR) Level 1 qualified securities. The 2015 second quarter's average balance also included $1.7 billion of direct purchase municipal instruments originated by our Commercial segment, up $0.8 billion from the year-ago quarter.
- $1.0 billion increase in average loans held-for-sale primarily related to automobile loans that were subsequently securitized and sold late in the quarter.
- $0.7 billion, or 10%, increase in average Automobile loans, despite the impact of the previously mentioned automobile loan securitization. The 2015 second quarter represented the sixth consecutive quarter of greater than $1.0 billion in automobile loan originations.

Average total deposits increased $4.4 billion, or 9%, from the year-ago quarter, including a $3.6 billion, or 8%, increase in average total core deposits. The growth in average total core deposits more than fully funded the year-over-year increase in average total loans and leases. The increase in total deposits included $0.7 billion of deposits acquired in the Bank of America branch acquisition. Average total interest-bearing liabilities increased $2.9 billion, or 7%, from the year-ago quarter. Year-over-year changes in total liabilities reflected:

- $2.4 billion, or 18%, increase in noninterest-bearing deposits, reflecting a $2.1 billion, or 19%, increase in commercial noninterest bearing deposits and a $0.4 billion, or 15%, increase in consumer noninterest bearing deposits.
- $1.1 billion, or 6%, increase in money market deposits, reflecting continued banker focus across all segments on obtaining our customers' full deposit relationship.
- $1.0 billion, or 16%, increase in short-and long-term borrowings, primarily reflecting a cost-effective method of funding LCR-related securities growth. The increase reflected the issuance of $1.0 billion and $0.8 billion of bank-level senior debt during the 2015 first quarter and 2014 second quarter, respectively, as well as $0.5 billion of debt assumed in the HTF acquisition, partially offset by a $0.6 billion reduction in short-term borrowings. While not affecting average balances, $0.8 billion of bank-level senior debt was issued in late June 2015.
- $0.6 billion, or 30%, increase in brokered deposits and negotiable CDs, which were used to efficiently finance balance sheet growth while continuing to manage the overall cost of funds.

Partially offset by:

- $0.8 billion, or 23%, decrease in average core certificates of deposit due to the strategic focus on changing the funding sources to low-and no-cost demand deposits and money market deposits.

2015 Second Quarter versus 2015 First Quarter

Compared to the 2015 first quarter, FTE net interest income increased $23.4 million, or 5%. Average earning assets increased $1.4 billion, or 2%, sequentially, while the NIM increased 5 basis points. The increase in the NIM primarily reflected the addition of higher yielding assets from the HTF acquisition, which contributed 7 basis points to the NIM expansion, partially offset by continued pricing pressure across all asset classes. During the 2015 second quarter, FTE net interest income and the NIM also benefitted by $3.4 million and 2 basis points, respectively, from prepayment penalties within the securities portfolio.

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Table 6—Consolidated YTD Average Balance Sheets and Net Interest Margin Analysis

Fully-taxable equivalent basis (1) *(dollar amounts in millions)*	YTD Average Balances Six Months Ended June 30, 2015	2014	Change Amount	Percent	YTD Average Rates (2) Six Months Ended June 30, 2015	2014
Assets:						
Interest-bearing deposits in banks	$ 91	$ 87	$ 4	5%	0.13%	0.03%
Loans held for sale	829	283	546	193	3.39	4.01
Securities:						
Available-for-sale and other securities:						
Taxable	7,791	6,452	1,339	21	2.55	2.49
Tax-exempt	1,952	1,203	749	62	3.09	3.09
Total available-for-sale and other securities	9,743	7,655	2,088	27	2.66	2.59
Trading account securities	47	42	5	12	1.10	0.89
Held-to-maturity securities—taxable	3,335	3,730	(395)	(11)	2.48	2.46
Total securities	13,125	11,427	1,698	15	2.61	2.54
Loans and leases: (3)						
Commercial:						
Commercial and industrial	19,469	17,948	1,521	8	3.47	3.53
Commercial real estate:						
Construction	929	657	272	41	3.70	4.15
Commercial	4,244	4,317	(73)	(2)	3.49	4.00
Commercial real estate	5,173	4,974	199	4	3.53	4.02
Total commercial	24,642	22,922	1,720	8	3.48	3.63
Consumer:						
Automobile	8,431	7,069	1,362	19	3.22	3.50
Home equity	8,494	8,358	136	2	4.00	4.12
Residential mortgage	5,835	5,494	341	6	3.73	3.78
Other consumer	438	385	53	14	8.33	7.08
Total consumer	23,198	21,306	1,892	9	3.73	3.88
Total loans and leases	47,840	44,228	3,612	8	3.61	3.75
Allowance for loan and lease losses	(610)	(645)	35	(5)		
Net loans and leases	47,230	43,583	3,647	8		
Total earning assets	61,885	56,025	5,860	10	3.41%	3.53%
Cash and due from banks	930	887	43	5		
Intangible assets	670	563	107	19		
All other assets	4,197	3,937	260	7		
Total assets	$ 67,072	$ 60,767	$6,305	10%		
Liabilities and Shareholders' Equity:						
Deposits:						
Demand deposits—noninterest-bearing	$ 15,575	$ 13,330	$2,245	17%	— %	— %
Demand deposits—interest-bearing	6,380	5,860	520	9	0.05	0.04
Total demand deposits	21,955	19,190	2,765	14	0.02	0.01
Money market deposits	19,084	17,664	1,420	8	0.22	0.25
Savings and other domestic deposits	5,220	5,027	193	4	0.14	0.19
Core certificates of deposit	2,726	3,523	(797)	(23)	0.77	0.88
Total core deposits	48,985	45,404	3,581	8	0.22	0.27
Other domestic time deposits of $250,000 or more	190	273	(83)	(30)	0.43	0.42
Brokered deposits and negotiable CDs	2,651	1,927	724	38	0.17	0.26
Deposits in foreign offices	559	322	237	74	0.13	0.13
Total deposits	52,385	47,926	4,459	9	0.22	0.27
Short-term borrowings	2,018	2,581	(563)	(22)	0.13	0.10
Long-term debt	4,761	3,021	1,740	58	1.38	1.54
Total interest-bearing liabilities	43,589	40,198	3,391	8	0.34	0.35
All other liabilities	1,441	1,034	407	39		
Shareholders' equity	6,467	6,205	262	4		
Total liabilities and shareholders' equity	$ 67,072	$ 60,767	$6,305	10%		
Net interest rate spread					3.07	3.18
Impact of noninterest-bearing funds on margin					0.10	0.10
Net interest margin					3.17%	3.28%

(1) FTE yields are calculated assuming a 35% tax rate.
(2) Loan, lease, and deposit average rates include the impact of applicable derivatives, non-deferrable fees, and amortized deferred fees.
(3) For purposes of this analysis, nonaccrual loans are reflected in the average balances of loans.

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2015 First Six Months versus 2014 First Six Months

Fully-taxable equivalent net interest income for the first six-month period of 2015 increased $63.8 million, or 7% reflecting the benefit of a $5.9 billion, or 10%, increase in average total earning assets. The fully-taxable equivalent net interest margin decreased to 3.17% from 3.28%. The increase in average earning assets reflected:

- $3.6 billion, or 8%, increase in average total loans and leases.
- $1.7 billion, or 15%, increase in average securities reflecting an increase of $1.8 billion of Liquidity Coverage Ratio (LCR) Level 1 qualified securities.
- $0.5 billion, or 193%, increase in average loans held for sale, primarily related to automobile loans that were subsequently securitized and sold during the quarter.

Provision for Credit Losses

(This section should be read in conjunction with the Credit Risk section.)

The provision for credit losses is the expense necessary to maintain the ALLL and the AULC at levels appropriate to absorb our estimate of credit losses in the loan and lease portfolio and the portfolio of unfunded loan commitments and letters-of-credit.

The provision for credit losses for the 2015 second quarter was $20.4 million compared with $20.6 million for the 2015 first quarter and $29.4 million for the 2014 second quarter. On a year-to-date basis, provision for credit losses for the first six-month period of 2015 was $41.0 million, a decrease of $13.0 million, or 24%, compared to year-ago period (See Credit Quality discussion). Given the low level of the provision for credit losses and the uneven nature of commercial charge-offs and recoveries, some degree of volatility on a quarter-to-quarter basis is expected.

Noninterest Income

The following table reflects noninterest income for each of the past five quarters:

Table 7—Noninterest Income

	2015		2014			2Q15 vs 2Q14		2Q15 vs 1Q15	
(dollar amounts in thousands)	**Second**	**First**	Fourth	Third	Second	Amount	Percent	Amount	Percent
Service charges on deposit accounts	**$ 70,118**	**$ 62,220**	$ 67,408	$ 69,118	$ 72,633	$ (2,515)	(3)%	$ 7,898	13%
Trust services	**26,550**	**29,039**	28,781	28,045	29,581	(3,031)	(10)	(2,489)	(9)
Electronic banking	**30,259**	**27,398**	27,993	27,275	26,491	3,768	14	2,861	10
Mortgage banking income	**38,518**	**22,961**	14,030	25,051	22,717	15,801	70	15,557	68
Brokerage income	**15,184**	**15,500**	16,050	17,155	17,905	(2,721)	(15)	(316)	(2)
Insurance income	**17,637**	**15,895**	16,252	16,729	15,996	1,641	10	1,742	11
Bank owned life insurance income	**13,215**	**13,025**	14,988	14,888	13,865	(650)	(5)	190	1
Capital markets fees	**13,192**	**13,905**	13,791	10,246	10,500	2,692	26	(713)	(5)
Gain on sale of loans	**12,453**	**4,589**	5,408	8,199	3,914	8,539	218	7,864	171
Securities gains (losses)	**82**	**—**	(104)	198	490	(408)	(83)	82	100
Other income	**44,565**	**27,091**	28,681	30,445	35,975	8,590	24	17,474	65
Total noninterest income	**$281,773**	**$231,623**	$233,278	$247,349	$250,067	$31,706	13%	$50,150	22%

2015 Second Quarter versus 2014 Second Quarter

Noninterest income increased $31.7 million, or 13%, from the year-ago quarter. HTF contributed $12.3 million of noninterest income during the 2015 second quarter. The year-over-year increase primarily reflected:

- $15.8 million, or 70%, increase in mortgage banking income, including an 84% increase in origination and secondary marketing revenues, reflecting higher gain on sale margin and a $6.7 million net benefit from MSR hedging activities.
- $8.6 million, or 24%, increase in other income, primarily reflecting equipment operating lease income related to HTF.
- $8.5 million, or 218%, increase in gain on sale of loans, including the $5.3 million gain from the automobile loan securitization.

- $3.8 million, or 14%, increase in electronic banking, due to higher card related income and underlying customer growth.
- $2.7 million, or 26%, increase in capital market fees, primarily related to customer foreign exchange and commodities derivatives products.

Partially offset by:

- $3.0 million, or 10%, decrease in trust services, primarily related to our fiduciary trust business moving to a more open architecture platform and a decline in assets under management in proprietary mutual funds following the 2014 second quarter transition of the fixed income Huntington Funds to a third party.
- $2.7 million, or 15%, decrease in brokerage income, primarily reflecting a shift from upfront commission income to trail options and an increase in the sale of new open architecture advisory products.
- $2.5 million, or 3%, decrease in service charges on deposit accounts as growth in commercial deposit service charges coupled with a 7% increase in consumer checking households partially offset the decline from the late July 2014 implementation of changes in consumer products.

2015 Second Quarter versus 2015 First Quarter

Noninterest income increased $50.1 million, or 22%, from the 2015 first quarter, primarily reflecting:

- Other income increased $17.5 million, or 65%, including $12.3 million related to HTF.
- Mortgage banking income increased $15.6 million, or 68%, primarily driven by a $10.5 million increase in net MSR hedging activities as well as a $6.3 million, or 32%, increase in origination and secondary marketing income.
- Service charges on deposit accounts increased $7.9 million, or 13%, as the quarter benefitted from continued growth in consumer households and business relationships, as well as seasonality.
- Gain on sale of loans increased $7.9 million, or 171%, primarily reflecting a $5.3 million automobile loan securitization gain.

Table 8—Noninterest Income—2015 First Six Months vs. 2014 First Six Months

	Six Months Ended June 30,		Change	
(dollar amounts in thousands)	**2015**	2014	Amount	Percent
Service charges on deposit accounts	**$ 132,338**	$ 137,215	$ (4,877)	(4)%
Trust services	**55,589**	59,146	(3,557)	(6)
Electronic banking	**57,657**	50,133	7,524	15
Mortgage banking income	**61,479**	45,806	15,673	34
Brokerage income	**30,684**	35,072	(4,388)	(13)
Insurance income	**33,532**	32,492	1,040	3
Bank owned life insurance income	**26,240**	27,172	(932)	(3)
Capital markets fees	**27,097**	19,694	7,403	38
Gain on sale of loans	**17,042**	7,484	9,558	128
Securities gains (losses)	**82**	17,460	(17,378)	(100)
Other income	**71,656**	66,878	4,778	7
Total noninterest income	**$ 513,396**	$ 498,552	$ 14,844	3%

The $14.8 million, or 3%, increase in total noninterest income reflected:

- $15.7 million, or 34%, increase in mortgage banking income. This primarily reflected a $17.6 million, or 61%, increase in origination and secondary marketing income as originations increased 49%.
- $9.6 million, or 128%, increase in gain on sale of loans, including the $5.3 million automobile loan securitization gain.

- $7.5 million, or 15%, increase in electronic banking income, due to higher card related income and underlying customer growth.
- $7.4 million, or 38%, increase in capital market fees, primarily related to an increase in foreign exchange fees, underwriting fees, commodities revenue, and derivative trading income.
- $4.8 million, or 7%, increase in other income, primarily reflecting equipment operating lease income related to HTF.

Partially offset by:

- $17.4 million, or 100%, decrease in securities gains.
- $4.9 million, or 4%, decrease in service charges on deposit accounts, as growth in commercial deposit service charges coupled with an increase in consumer households partially offset the decline from the late July 2014 implementation of changes in consumer products.
- $4.4 million, or 13%, decrease in brokerage income, primarily reflecting a shift from upfront commission income to trail options and an increase in the sale of new open architecture advisory products.
- $3.6 million, or 6%, decrease in trust services, primarily related to our fiduciary trust businesses moving to a more open architecture platform and a decline in assets under management in proprietary mutual funds following the 2014 second quarter transition of the fixed income Huntington Funds to a third party.

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Noninterest Expense

(This section should be read in conjunction with Significant Item 1 and 2.)

The following table reflects noninterest expense for each of the past five quarters:

Table 9—Noninterest Expense

(dollar amounts in thousands)	2015 Second	2015 First	2014 Fourth	2014 Third	2014 Second	2Q15 vs 2Q14 Amount	2Q15 vs 2Q14 Percent	2Q15 vs 1Q15 Amount	2Q15 vs 1Q15 Percent
Personnel costs	**$282,135**	**$264,916**	$263,289	$275,409	$260,600	$21,535	8%	$17,219	6%
Outside data processing and other services	**58,508**	**50,535**	53,685	53,073	54,338	4,170	8	7,973	16
Net occupancy	**28,861**	**31,020**	31,565	34,405	28,673	188	1	(2,159)	(7)
Equipment	**31,694**	**30,249**	31,981	30,183	28,749	2,945	10	1,445	5
Professional services	**12,593**	**12,727**	15,665	13,763	17,896	(5,303)	(30)	(134)	(1)
Marketing	**15,024**	**12,975**	12,466	12,576	14,832	192	1	2,049	16
Deposit and other insurance expense	**11,787**	**10,167**	13,099	11,628	10,599	1,188	11	1,620	16
Amortization of intangibles	**9,960**	**10,206**	10,653	9,813	9,520	440	5	(246)	(2)
Other expense	**41,215**	**36,062**	50,868	39,468	33,429	7,786	23	5,153	14
Total noninterest expense	**$491,777**	**$458,857**	$483,271	$480,318	$458,636	$33,141	7%	$32,920	7%
Number of employees (average full-time equivalent)	**12,274**	**11,914**	11,875	11,946	12,000	274	2	360	3

Impacts of Significant Items:

(dollar amounts in thousands)	2015 Second (1)	2015 First (1)	2014 Second
Personnel costs	**$ 319**	**$ 1**	$ —
Outside data processing and other services	**755**	**51**	618
Net occupancy	**—**	**—**	59
Equipment	**—**	**—**	1
Professional services	**374**	**3,286**	50
Marketing	**27**	**1**	30
Other expense	**26**	**12**	17
Total noninterest expense adjustments	**$ 1,501**	**$3,351**	$ 775

(1) The 2015 first and second quarter included $3.4 million and $1.5 million, respectively, of merger-related expense that was not a Significant Item for the first six-month period of 2015, but merger-related expense is expected to be a Significant Item for the 2015 full year.

Adjusted Noninterest Expense (Non-GAAP):

(dollar amounts in thousands)	2015 Second	2015 First	2014 Second	2Q15 vs 2Q14 Amount	2Q15 vs 2Q14 Percent	2Q15 vs 1Q15 Amount	2Q15 vs 1Q15 Percent
Personnel costs	**$281,816**	**$264,915**	$260,600	$21,216	8%	$16,901	6%
Outside data processing and other services	**57,753**	**50,484**	53,720	4,033	8	7,269	14
Net occupancy	**28,861**	**31,020**	28,614	247	1	(2,159)	(7)
Equipment	**31,694**	**30,249**	28,748	2,946	10	1,445	5
Professional services	**12,219**	**9,441**	17,846	(5,627)	(32)	2,778	29
Marketing	**14,997**	**12,974**	14,802	195	1	2,023	16
Deposit and other insurance expense	**11,787**	**10,167**	10,599	1,188	11	1,620	16
Amortization of intangibles	**9,960**	**10,206**	9,520	440	5	(246)	(2)
Other expense	**41,189**	**36,050**	33,412	7,777	23	5,139	14
Total adjusted noninterest expense	**$490,276**	**$455,506**	$457,861	$32,415	7%	$34,770	8%

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2015 Second Quarter versus 2014 Second Quarter

Reported noninterest expense increased $33.1 million, or 7%, from the year-ago quarter. HTF contributed $15.7 million of noninterest expense during the 2015 second quarter. Changes in reported noninterest expense primarily reflect:

- $21.5 million, or 8%, increase in personnel costs, related to a $17.9 million increase in salaries, reflecting the May implementation of annual merit increases and a 2% increase in the number of average full-time equivalent employees, and a $3.6 million increase in benefits expense. HTF accounted for $7.1 million of incremental personnel expense and 167 of the average full-time equivalent employees.
- $7.8 million, or 23%, increase in other expense, primarily reflecting $6.8 million of equipment operating lease expense from HTF.
- $4.2 million, or 8%, increase in outside data processing and other services expense, primarily related to technology investments.

Partially offset by

- $5.3 million, or 30%, decrease in professional services expense, as the year-ago quarter included $5.0 million of one-time consulting expense related to strategic planning.

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2015 Second Quarter versus 2015 First Quarter

Reported noninterest expense increased $32.9 million, or 7%, from the 2015 first quarter. On a reported basis, personnel costs increased $17.2 million, or 6%, as a result of annual merit increases implemented in May and a 3% increase in the number of average full-time equivalent employees as well as the incremental $7.1 million of personnel expense related to HTF. Outside data processing and other services expense increased $8.0 million, or 16%, primarily related to ongoing technology investments. Other expense increased $5.2 million, or 14%, from the prior quarter, primarily reflecting equipment operating lease expense related to HTF.

Table 10—Noninterest Expense—2015 First Six Months vs. 2014 First Six Months

	Six Months Ended June 30,		Change	
(dollar amounts in thousands)	**2015**	2014	Amount	Percent
Personnel costs	**$547,051**	$510,077	$36,974	7%
Outside data processing and other services	**109,043**	105,828	3,215	3
Net occupancy	**59,881**	62,106	(2,225)	(4)
Equipment	**61,943**	57,499	4,444	8
Professional services	**25,320**	30,127	(4,807)	(16)
Marketing	**27,999**	25,518	2,481	10
Deposit and other insurance expense	**21,954**	24,317	(2,363)	(10)
Amortization of intangibles	**20,166**	18,811	1,355	7
Other expense	**77,277**	84,474	(7,197)	(9)
Total noninterest expense	**$950,634**	$918,757	$31,877	3%

Impacts of Significant Items:

	Six Months Ended June 30,	
(dollar amounts in thousands)	**2015 (1)**	2014
Personnel costs	**$ 320**	$ 2,341
Outside data processing and other services	**806**	4,909
Net occupancy	—	1,801
Equipment	—	135
Professional services	**3,660**	2,222
Marketing	**28**	560
Other expense	**38**	10,410
Total noninterest expense adjustments	**$ 4,852**	$ 22,378

(1) The first six-month period of 2015 included $4.9 million of merger-related expense that was not a Significant Item, but merger-related expense is expected to be a Significant Item for the 2015 full year.

Adjusted Noninterest Expense (Non-GAAP):

	Six Months Ended June 30,		Change	
(dollar amounts in thousands)	**2015**	2014	Amount	Percent
Personnel costs	**$546,731**	$507,736	$38,995	8%
Outside data processing and other services	**108,237**	100,919	7,318	7
Net occupancy	**59,881**	60,305	(424)	(1)
Equipment	**61,943**	57,364	4,579	8
Professional services	**21,660**	27,905	(6,245)	(22)
Marketing	**27,971**	24,958	3,013	12
Deposit and other insurance expense	**21,954**	24,317	(2,363)	(10)
Amortization of intangibles	**20,166**	18,811	1,355	7
Other expense	**77,239**	74,064	3,175	4
Total noninterest expense adjustments	**$945,782**	$896,379	$49,403	6%

Reported noninterest expense increased $31.9 million, or 3%. Excluding the impact of Significant Items, noninterest expense increased $49.4 million, or 6%. Changes in reported noninterest expense primarily reflect:

- $37.0 million, or 7%, increase in personnel costs. Excluding the impact of significant items, personnel costs increased $39.0 million, or 8%, primarily related to a $25.9 million increase in salaries reflecting the May implementation of annual merit increases and a 1% increase in the number of average full-time equivalent employees, and a $6.6 million increase in benefits expense. HTF accounted for $7.1 million of incremental personnel expense.
- $4.4 million, or 8%, increase in equipment. Excluding the impact of significant items, equipment increased $4.6 million, or 8%, primarily reflecting an increase in depreciation related to technology investments.
- $3.2 million, or 3%, increase in outside data processing and other services. Excluding the impact of significant items, outside data processing and other services increased $7.3 million, or 7%, primarily related to technology investments.

Partially offset by

- $7.2 million, or 9%, decrease in other expense. Excluding the impact of significant items, other expense increased $3.2 million, or 4%, primarily related to equipment operating lease expense from HTF.
- $4.8 million, or 16%, decrease in professional services. Excluding the impact of significant items, professional services decreased $6.2 million, or 22%, as the year-ago period included $6.5 million of one-time consulting expense related to strategic planning.

Provision for Income Taxes

The provision for income taxes in the 2015 second quarter was $64.1 million. This compared with a provision for income taxes of $57.5 million in the 2014 second quarter and $54.0 million in the 2015 first quarter. The provision for income taxes for the six month periods ended June 30, 2015 and June 30, 2014 was $118.1 million and $109.6 million, respectively. All periods included the benefits from tax-exempt income, tax-advantaged investments, release of capital loss carryforward valuation allowance, general business credits, and investments in qualified affordable housing projects. At June 30, 2015 there is no capital loss carryforward valuation allowance remaining. The net federal deferred tax asset was $30.6 million and the net state deferred tax asset was $42.8 million at June 30, 2015.

We file income tax returns with the IRS and various state, city, and foreign jurisdictions. Federal income tax audits have been completed for tax years through 2009. In the first quarter of 2013, the IRS began an examination of our 2010 and 2011 consolidated federal income tax returns. Various state and other jurisdictions remain open to examination, including Ohio, Kentucky, Indiana, Michigan, Pennsylvania, West Virginia, and Illinois.

RISK MANAGEMENT AND CAPITAL

We use a multi-faceted approach to risk governance. It begins with the board of directors defining our risk appetite as aggregate moderate-to-low. Risk awareness, identification and assessment, reporting, and active management are key elements in overall risk management. Controls include, among others, effective segregation of duties, access, authorization and reconciliation procedures, as well as staff education and a disciplined assessment process.

We identify primary risks, and the sources of those risks, across the Company. We utilize Risk and Control Self-Assessments (RCSA) to identify exposure risks. Through this RCSA process, we continually assess the effectiveness of controls associated with the identified risks, regularly monitor risk profiles and material exposure to losses, and identify stress events and scenarios to which we may be exposed. Our chief risk officer is responsible for ensuring that appropriate systems of controls are in place for managing and monitoring risk across the Company. Potential risk concerns are shared with the Risk Management Committee, Risk Oversight Committee, and the board of directors, as appropriate. Our internal audit department performs on-going independent reviews of the risk management process and ensures the adequacy of documentation. The results of these reviews are regularly reported to the audit committee and board of directors. In addition, our Credit Review group performs ongoing independent testing of our loan portfolio, the results of which are regularly reviewed with our Risk Oversight Committee.

We believe that our primary risk exposures are credit, market, liquidity, operational, and compliance oriented. More information on risk can be found in the Risk Factors section included in Item 1A of our 2014 Form 10-K and subsequent filings with the SEC. The MD&A included in our 2014 Form 10-K should be read in conjunction with this MD&A as this discussion provides only material updates to the Form 10-K. This MD&A should also be read in conjunction with the financial statements, notes and other information contained in this report. Our definition, philosophy, and approach to risk management have not materially changed from the discussion presented in the 2014 Form 10-K.

Credit Risk

Credit risk is the risk of financial loss if a counterparty is not able to meet the agreed upon terms of the financial obligation. The majority of our credit risk is associated with lending activities, as the acceptance and management of credit risk is central to profitable lending. We also have credit risk associated with our AFS and HTM securities portfolios *(see Note 4 and Note 5 of the Notes to the Unaudited Condensed Consolidated Financial Statements)*. We engage with other financial counterparties for a variety of purposes including investing, asset and liability management, mortgage banking, and trading activities. While there is credit risk associated with derivative activity, we believe this exposure is minimal.

We continue to focus on the identification, monitoring, and managing of our credit risk. In addition to the traditional credit risk mitigation strategies of credit policies and processes, market risk management activities, and portfolio diversification, we use additional quantitative measurement capabilities utilizing external data sources, enhanced use of modeling technology, and internal stress testing processes. Our portfolio management resources demonstrate our commitment to maintaining an aggregate moderate-to-low risk profile. In our efforts to continue to identify risk mitigation techniques, we have focused on product design features, origination policies, and treatment strategies for delinquent or stressed borrowers.

Loan and Lease Credit Exposure Mix

At June 30, 2015, loans and leases totaled $48.8 billion, an increase of $1.1 billion from December 31, 2014. There was continued growth in the C&I portfolio, primarily as a result of an increase in equipment leases of $0.8 billion related to the acquisition of HTF. In addition, residential mortgage increased by $0.2 billion as a result of strong originations. The CRE portfolio remained relatively consistent, as a result of continued runoff offset by new production within the requirements associated with achieving an acceptable return, our internal concentration limits and increased competition for projects sponsored by high quality developers.

At June 30, 2015, commercial loans and leases totaled $25.2 billion and represented 52% of our total loan and lease credit exposure. Our commercial portfolio is diversified along product type, customer size, and geography within our footprint, and is comprised of the following (*see Commercial Credit discussion).*

C&I—C&I loans and leases are made to commercial customers for use in normal business operations to finance working capital needs, equipment purchases, or other projects. The majority of these borrowers are customers doing business within our geographic regions. C&I loans and leases are generally underwritten individually and secured with the assets of the company and/or the personal guarantee of the business owners. The financing of owner occupied facilities is considered a C&I loan even though there is improved real estate as collateral. This treatment is a result of the credit decision process, which focuses on cash flow from operations of the business to repay the debt. The operation, sale, rental, or refinancing of the real estate is not considered the primary repayment source for these types of loans. As we have expanded our C&I portfolio, we have developed a series of “vertical specialties” to ensure that new products or lending types are embedded within a structured, centralized Commercial Lending area with designated, experienced credit officers. These specialties are comprised of either targeted industries (for example, Healthcare, Food & Agribusiness, Energy, etc.) and/or lending disciplines (Equipment Finance, ABL, etc.), all of which requires a high degree of expertise and oversight to effectively mitigate and monitor risk. As such, we have dedicated colleagues and teams focused on bringing value added expertise to these specialty clients.

CRE—CRE loans consist of loans to developers and REITs supporting income-producing or for-sale commercial real estate properties. We mitigate our risk on these loans by requiring collateral values that exceed the loan amount and underwriting the loan with projected cash flow in excess of the debt service requirement. These loans are made to finance properties such as apartment buildings, office and industrial buildings, and retail shopping centers, and are repaid through cash flows related to the operation, sale, or refinance of the property.

Construction CRE—Construction CRE loans are loans to developers, companies, or individuals used for the construction of a commercial or residential property for which repayment will be generated by the sale or permanent financing of the property. Our construction CRE portfolio primarily consists of retail, multi family, office, and warehouse project types. Generally, these loans are for construction projects that have been presold or preleased, or have secured permanent financing, as well as loans to real estate companies with significant equity invested in each project. These loans are underwritten and managed by a specialized real estate lending group that actively monitors the construction phase and manages the loan disbursements according to the predetermined construction schedule.

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Total consumer loans and leases were $23.5 billion at June 30, 2015, and represented 48% of our total loan and lease credit exposure. The consumer portfolio is comprised primarily of automobile loans, home equity loans and lines-of-credit, and residential mortgages *(see Consumer Credit discussion).* The increase from December 31, 2014, primarily relates to growth in residential mortgage and other consumer, partially offset by a slight decrease in the automobile portfolio relating to the $0.8 billion securitization and sale of automobile loans late in the 2015 second quarter.

Automobile—Automobile loans are comprised primarily of loans made through automotive dealerships and include exposure in selected states outside of our primary banking markets. The exposure outside of our primary banking markets represents 21% of the total exposure, with no individual state representing more than 6%. Applications are underwritten using an automated underwriting system that applies consistent policies and processes across the portfolio.

Home equity—Home equity lending includes both home equity loans and lines-of-credit. This type of lending, which is secured by a first-lien or junior-lien on the borrower's residence, allows customers to borrow against the equity in their home or refinance existing mortgage debt. Products include closed-end loans which are generally fixed-rate with principal and interest payments, and variable-rate, interest-only lines-of-credit which do not require payment of principal during the 10-year revolving period. The home equity line of credit may convert to a 20-year amortizing structure at the end of the revolving period. Applications are underwritten centrally in conjunction with an automated underwriting system. The home equity underwriting criteria is based on minimum credit scores, debt-to-income ratios, and LTV ratios, with current collateral valuations. The underwriting for the floating rate lines of credit also incorporate a stress analysis for a rising interest rate.

Residential mortgage—Residential mortgage loans represent loans to consumers for the purchase or refinance of a residence. These loans are generally financed over a 15-year to 30-year term, and in most cases, are extended to borrowers to finance their primary residence. Applications are underwritten centrally using consistent credit policies and processes. All residential mortgage loan decisions utilize a full appraisal for collateral valuation. Huntington has not originated or acquired residential mortgages that allow negative amortization or allow the borrower multiple payment options.

Other consumer—Other consumer loans primarily consists of consumer loans not secured by real estate, including personal unsecured loans, overdraft balances, and credit cards.

The table below provides the composition of our total loan and lease portfolio:

Table 11—Loan and Lease Portfolio Composition

	2015				2014					
(dollar amounts in millions)	**June 30,**		**March 31,**		December 31,		September 30,		June 30,	
Commercial:										
Commercial and industrial	**$20,003**	**41%**	**$20,109**	**42%**	$19,033	40%	$18,791	40%	$18,899	41%
Commercial real estate:										
Construction	**1,021**	**2**	**910**	**2**	875	2	850	2	757	2
Commercial	**4,192**	**9**	**4,157**	**9**	4,322	9	4,141	9	4,233	9
Total commercial real estate	**5,213**	**11**	**5,067**	**11**	5,197	11	4,991	11	4,990	11
Total commercial	**25,216**	**52**	**25,176**	**53**	24,230	51	23,782	51	23,889	52
Consumer:										
Automobile	**8,549**	**18**	**7,803**	**16**	8,690	18	8,322	18	7,686	17
Home equity	**8,526**	**17**	**8,492**	**18**	8,491	17	8,436	18	8,405	18
Residential mortgage	**5,987**	**12**	**5,795**	**12**	5,831	12	5,788	12	5,707	12
Other consumer	**474**	**1**	**430**	**1**	414	2	395	1	393	1
Total consumer	**23,536**	**48**	**22,520**	**47**	23,426	49	22,941	49	22,191	48
Total loans and leases	**$48,752**	**100%**	**$47,696**	**100%**	$47,656	100%	$46,723	100%	$46,080	100%

Our loan portfolio is diversified by consumer and commercial credit. At the corporate level, we manage the credit exposure in part via a credit concentration policy. The policy designates specific loan types, collateral types, and loan structures to be formally tracked and assigned limits as a percentage of capital. C&I lending by NAICS categories, specific limits for CRE primary project types, loans secured by residential real estate, shared national credit exposure, and designated high risk loan definitions represent examples of specifically tracked components of our concentration management process. Currently there are no identified concentrations that exceed the established limit. Our concentration management process is approved by the Risk Oversight Committee and is one of the strategies used to ensure a high quality, well diversified portfolio that is consistent with our overall objective of maintaining an aggregate moderate-to-low risk profile. Changes to existing concentration limits require the approval of the ROC prior to implementation, with specific information relating to the potential impact on the overall portfolio composition and performance metrics.

The table below provides our total loan and lease portfolio segregated by the type of collateral securing the loan or lease. The changes in the collateral composition from the prior quarter are consistent with the portfolio growth metrics, with increases noted in the real estate—consumer and vehicle categories.

Table 12—Loan and Lease Portfolio by Collateral Type

	2015				2014					
(dollar amounts in millions)	**June 30,**		**March 31,**		December 31,		September 30,		June 30,	
Secured loans:										
Real estate—commercial	**$ 8,479**	**17%**	**$ 8,463**	**18%**	$ 8,631	18%	$ 8,628	18%	$ 8,617	19%
Real estate—consumer	**14,513**	**30**	**14,287**	**30**	14,322	30	14,224	30	14,113	31
Vehicles	**10,527**	**22**	**9,938(1)**	**21**	10,932	23	10,268	22	9,782	21
Receivables/Inventory	**6,064**	**12**	**6,090**	**13**	5,968	13	6,023	13	5,932	13
Machinery/Equipment	**4,779**	**10**	**4,708(2)**	**10**	3,863	8	3,305	7	3,267	7
Securities/Deposits	**1,095**	**2**	**956**	**2**	964	2	1,232	3	1,349	3
Other	**1,076**	**2**	**1,167**	**2**	919	2	918	2	940	2
Total secured loans and leases	**46,533**	**95**	**45,609**	**96**	45,599	96	44,598	95	44,000	96
Unsecured loans and leases	**2,219**	**5**	**2,087**	**4**	2,057	4	2,125	5	2,080	4
Total loans and leases	**$48,752**	**100%**	**$47,696**	**100%**	$47,656	100%	$46,723	100%	$46,080	100%

(1) Reflects the transfer of approximately $1.0 billion in automobile loans to loans held-for-sale.
(2) Reflects the addition of approximately $0.8 billion in equipment leases related to the acquisition of HTF.

Commercial Credit

Refer to the "Commercial Credit" section of our 2014 Form 10-K for our commercial credit underwriting and on-going credit management processes.

C&I PORTFOLIO

The C&I portfolio continues to have solid origination activity as evidenced by the growth over the past 12 months. The credit quality of the portfolio remains strong as we maintain a focus on high quality originations. Problem loans had trended downward over the last several years, reflecting a combination of proactive risk identification and effective workout strategies implemented by the SAD. However, over the past year, C&I problem loans have begun to increase as the portfolio has increased in size. We continue to maintain a proactive approach to identifying borrowers that may be facing financial difficulty in order to maximize the potential solutions. Subsequent to the origination of the loan, the Credit Review group provides an independent review and assessment of the quality of the underwriting and risk of new loan originations.

CRE PORTFOLIO

We manage the risks inherent in this portfolio specific to CRE lending, focusing on the quality of the developer and the specifics associated with each project. Generally, we: (1) limit our loans to 80% of the appraised value of the commercial real estate at origination, (2) require net operating cash flows to be 125% of required interest and principal payments, and (3) if the commercial real estate is nonowner occupied, require that at least 50% of the space of the project be preleased. We actively monitor both geographic and project-type concentrations and performance metrics of all CRE loan types, with a focus on loans identified as higher risk based on the risk rating methodology. Both macro-level and loan-level stress-test scenarios based on existing and forecast market conditions are part of the on-going portfolio management process for the CRE portfolio.

Dedicated real estate professionals originate and manage the portfolio. The portfolio is diversified by project type and loan size, and this diversification represents a significant portion of the credit risk management strategies employed for this portfolio. Subsequent to the origination of the loan, the Credit Review group provides an independent review and assessment of the quality of the underwriting and risk of new loan originations.

Appraisal values are obtained in conjunction with all originations and renewals, and on an as needed basis, in compliance with regulatory requirements and to ensure appropriate decisions regarding the on-going management of the portfolio reflect the changing market conditions. Appraisals are obtained from approved vendors and are reviewed by an internal appraisal review group comprised of certified appraisers to ensure the quality of the valuation used in the underwriting process. We continue to perform on-going portfolio level reviews within the CRE portfolio. These reviews generate action plans based on occupancy levels or sales volume associated with the projects being reviewed. This highly individualized process requires working closely with all of our borrowers, as well as an in-depth knowledge of CRE project lending and the market environment.

Consumer Credit

Refer to the “Consumer Credit” section of our 2014 Form 10-K for our consumer credit underwriting and on-going credit management processes.

AUTOMOBILE PORTFOLIO

Our strategy in the automobile portfolio continues to focus on high quality borrowers as measured by both FICO and internal custom scores, combined with appropriate LTVs, terms, and profitability. Our strategy and operational capabilities allow us to appropriately manage the origination quality across the entire portfolio, including our newer markets. Although increased origination volume and entering new markets can be associated with increased risk levels, we believe our disciplined strategy and operational processes significantly mitigate these risks.

We have continued to consistently execute our value proposition and take advantage of available market opportunities. Importantly, we have maintained our high credit quality standards while expanding the portfolio.

RESIDENTIAL REAL ESTATE SECURED PORTFOLIOS

The properties securing our residential mortgage and home equity portfolios are primarily located within our geographic footprint. Huntington continues to support our local markets with consistent underwriting across all residential secured products. The residential-secured portfolio originations continue to be of high quality, with the majority of the negative credit impact coming from loans originated in 2006 and earlier. Our portfolio management strategies associated with our Home Savers group allow us to focus on effectively helping our customers with appropriate solutions for their specific circumstances.

Table 13—Selected Home Equity and Residential Mortgage Portfolio Data

(dollar amounts in millions)

	Home Equity				Residential Mortgage	
	Secured by first-lien		Secured by junior-lien			
	06/30/15	12/31/14	**06/30/15**	12/31/14	**06/30/15**	12/31/14
Ending balance	**$5,205**	$5,129	**$3,321**	$3,362	**$ 5,987**	$ 5,831
Portfolio weighted average LTV ratio (1)	**72%**	71%	**81%**	81%	**75%**	74%
Portfolio weighted average FICO score (2)	**760**	759	**755**	752	**751**	752

	Home Equity				Residential Mortgage (3)	
	Secured by first-lien		Secured by junior-lien			
	Six Months Ended June 30,					
	2015	2014	**2015**	2014	**2015**	2014
Originations	**$ 840**	$ 726	**$ 438**	$ 396	**$ 771**	$ 585
Origination weighted average LTV ratio (1)	**74%**	73%	**84%**	82%	**84%**	84%
Origination weighted average FICO score (2)	**779**	764	**768**	763	**755**	755

(1) The LTV ratios for home equity loans and home equity lines-of-credit are cumulative and reflect the balance of any senior loans. LTV ratios reflect collateral values at the time of loan origination.

(2) Portfolio weighted average FICO scores reflect currently updated customer credit scores whereas origination weighted average FICO scores reflect the customer credit scores at the time of loan origination.

(3) Represents only owned-portfolio originations.

Home Equity Portfolio

Within the home equity portfolio, the standard product is a 10-year interest-only draw period with a 20-year fully amortizing term at the end of the draw period. Prior to 2007, the standard product was a 10-year draw period with a balloon payment. In either case, after the 10-year draw period, the borrower must reapply, subject to full underwriting guidelines, to continue with the interest only revolving structure or begin repaying the debt in a term structure.

The principal and interest payment associated with the term structure will be higher than the interest-only payment, resulting in maturity risk. Our maturity risk can be segregated into two distinct segments: (1) home equity lines-of-credit underwritten with a balloon payment at maturity and (2) home equity lines-of-credit with an automatic conversion to a 20-year amortizing loan. We manage this risk based on both the actual maturity date of the line-of-credit structure and at the end of the 10-year draw period. This maturity risk is embedded in the portfolio which we address with proactive contact strategies beginning one year prior to maturity. In certain circumstances, our Home Saver group is able to provide payment and structure relief to borrowers experiencing significant financial hardship associated with the payment adjustment. Our existing home equity line-of-credit (HELOC) maturity strategy is consistent with recent regulatory guidance.

The table below summarizes our home equity line-of-credit portfolio by maturity date based on the balloon structure described above:

Table 14—Maturity Schedule of Home Equity Line-of-Credit Portfolio

	June 30, 2015					
(dollar amounts in millions)	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	More than 4 years	Total
Secured by first-lien	**$ 10**	**$ 2**	**$ 2**	**$ 1**	**$ 3,047**	**$3,062**
Secured by junior-lien	**144**	**111**	**50**	**15**	**2,646**	**2,966**
Total home equity line-of-credit	**$ 154**	**$ 113**	**$ 52**	**$ 16**	**$ 5,693**	**$6,028**
	December 31, 2014					
Total home equity line-of-credit	$ 229	$ 123	$ 105	$ 19	$ 5,391	$5,867

The reduction in maturities presented in over 1-year categories is a result of our change to a product with a 20-year amortization period after 10-year draw period structure. Home equity lines-of-credit with balloon payment risk are essentially eliminated after 2015. The amounts maturing in more than four years primarily consist of exposure with a 20-year amortization period after the 10-year draw period.

Historically, less than 30% of our home equity lines-of-credit that are one year or less from maturity actually reach the maturity date.

Residential Mortgages Portfolio

Huntington underwrites all applications centrally, with a focus on higher quality borrowers. We do not originate residential mortgages that allow negative amortization or allow the borrower multiple payment options and have incorporated regulatory requirements and guidance into our underwriting process. Residential mortgages are originated based on a completed full appraisal during the credit underwriting process. We update values in compliance with applicable regulations to facilitate our portfolio management, as well as our workout and loss mitigation functions.

Several government programs continued to impact the residential mortgage portfolio, including various refinance programs such as HARP and HAMP, which positively affected the availability of credit for the industry. During the six-month period ended June 30, 2015, we closed $119.2 million in HARP residential mortgages and $2.4 million in HAMP residential mortgages. The HARP and HAMP residential mortgage loans are part of our residential mortgage portfolio or serviced for others.

We are subject to repurchase risk associated with residential mortgage loans sold in the secondary market. An appropriate level of reserve for representations and warranties related to residential mortgage loans sold has been established to address this repurchase risk inherent in the portfolio *(see Operational Risk discussion).*

Credit Quality

(This section should be read in conjunction with Note 3 of the Notes to Unaudited Condensed Consolidated Financial Statements.)

We believe the most meaningful way to assess overall credit quality performance is through an analysis of credit quality performance ratios. This approach forms the basis of most of the discussion in the sections immediately following: NPAs and NALs, TDRs, ACL, and NCOs. In addition, we utilize delinquency rates, risk distribution and migration patterns, and product segmentation in the analysis of our credit quality performance.

Credit quality performance in the 2015 second quarter reflected continued strong performance in the total net charge-offs and overall consumer performance metrics. This was partially offset by some of the commercial performance metrics. While NPA's decreased 1% from the prior quarter to $396 million, net charge-offs increased by $0.9 million or 4% from the prior quarter, as a result of an increase in the CRE segment and criticized loans increased in the C&I segment. As a result of the overall continued credit quality improvement, the ACL to total loans ratio declined slightly by 4 basis points to 1.34%.

NPAs, NALs, AND TDRs

(This section should be read in conjunction with Note 3 of the Notes to Unaudited Condensed Consolidated Financial Statements.)

NPAs and NALs

NPAs consist of (1) NALs, which represent loans and leases no longer accruing interest, (2) OREO properties, and (3) other NPAs. Any loan in our portfolio may be placed on nonaccrual status prior to the policies described below when collection of principal or interest is in doubt. Also, when a borrower with discharged non-reaffirmed debt in a Chapter 7 bankruptcy is identified and the loan is determined to be collateral dependent, the loan is placed on nonaccrual status.

C&I and CRE loans (except for purchased credit impaired loans) are placed on nonaccrual status at 90-days past due, or earlier if repayment of principal and interest is in doubt.

Of the $193.6 million of CRE and C&I-related NALs at June 30, 2015, $119.9 million, or 62%, represented loans that were less than 30-days past due, demonstrating our continued commitment to proactive credit risk management. With the exception of residential mortgage loans guaranteed by government organizations which continue to accrue interest, first-lien loans secured by residential mortgage collateral are placed on nonaccrual status at 150-days past due. Junior-lien home equity loans are placed on nonaccrual status at the earlier of 120-days past due or when the related first-lien loan has been identified as nonaccrual. Automobile and other consumer loans are generally charged-off prior to the loan reaching 120-days past due.

When loans are placed on nonaccrual, accrued interest income is reversed with current year accruals charged to interest income and prior year amounts generally charged-off as a credit loss. When, in our judgment, the borrower's ability to make required interest and principal payments has resumed and collectability is no longer in doubt, the loan or lease could be returned to accrual status.

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The following table reflects period-end NALs and NPAs detail for each of the last five quarters:

Table 15—Nonaccrual Loans and Leases and Nonperforming Assets

	2015		2014		
(dollar amounts in thousands)	**June 30,**	**March 31,**	December 31,	September 30,	June 30,
Nonaccrual loans and leases:					
Commercial and industrial	**$149,713**	**$133,363**	$ 71,974	$ 90,265	$ 75,274
Commercial real estate	**43,888**	**49,263**	48,523	59,812	65,398
Automobile	**4,190**	**4,448**	4,623	4,834	4,384
Residential mortgage	**91,198**	**98,093**	96,564	98,139	110,635
Home equity	**75,350**	**79,246**	78,560	72,715	69,266
Total nonaccrual loans and leases	**364,339**	**364,413**	300,244	325,765	324,957
Other real estate owned, net					
Residential	**25,660**	**30,544**	29,291	30,661	31,761
Commercial	**3,572**	**3,407**	5,748	5,609	2,934
Total other real estate owned, net	**29,232**	**33,951**	35,039	36,270	34,695
Other nonperforming assets(1)	**2,440**	**2,440**	2,440	2,440	2,440
Total nonperforming assets	**$396,011**	**$400,804**	$ 337,723	$ 364,475	$362,092
Nonaccrual loans as a % of total loans and leases	**0.75%**	**0.76%**	0.63%	0.70%	0.71%
Nonperforming assets ratio(2)	**0.81**	**0.84**	0.71	0.78	0.79
(NPA+90days)/(Loan+OREO)(3)	**1.03**	**1.08**	0.98	1.08	1.08

(1) Other nonperforming assets includes certain impaired investment securities.
(2) This ratio is calculated as nonperforming assets divided by the sum of loans and leases, other nonperforming assets, and net other real estate owned.
(3) This ratio is calculated as the sum of nonperforming assets and total accruing loans and leases past due 90 days or more divided by the sum of loans and leases and net other real estate owned.

2015 Second Quarter versus 2015 First Quarter

Total NPAs decreased by $4.8 million, or 1% compared with March 31, 2015.

- $6.9 million, or 7%, decrease in residential mortgage NALs, reflecting improved delinquency trends.
- $5.4 million, or 11%, decrease in CRE NALs, reflecting improved delinquency trends and successful workout strategies implemented by our commercial loan workout group.
- $3.9 million, or 5%, decrease in home equity NALs, reflecting improved delinquency trends.
- $4.7 million, or 14%, decrease in OREO, specifically associated with the sale of residential properties.

Primarily offset by:

- $16.4 million, or 12%, increase in C&I NALs, primarily reflecting the addition of two C&I relationships to nonaccrual status. Given the absolute low level of problem credits in the portfolio, some volatility should be expected.

2015 Second Quarter versus 2014 Fourth Quarter.

The $58.3 million, or 17%, increase in NPAs compared with December 31, 2014, represents the net impact of increases in the commercial portfolio:

- $77.7 million increase in C&I NALs, primarily reflecting the addition of several high dollar C&I relationships to nonaccrual status.

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TDR Loans

(This section should be read in conjunction with Note 3 of the Notes to Unaudited Condensed Consolidated Financial Statements.)

TDRs are modified loans where a concession was provided to a borrower experiencing financial difficulties. TDRs can be classified as either accrual or nonaccrual loans. Nonaccrual TDRs are included in NALs whereas accruing TDRs are excluded from NALs, as it is probable that all contractual principal and interest due under the restructured terms will be collected. TDRs primarily reflect our loss mitigation efforts to proactively work with borrowers in financial difficulty or regulatory regulations regarding the treatment of certain bankruptcy filing situations.

The table below presents our accruing and nonaccruing TDRs at period-end for each of the past five quarters:

Table 16—Accruing and Nonaccruing Troubled Debt Restructured Loans

	2015		2014		
(dollar amounts in thousands)	**June 30,**	**March 31,**	December 31,	September 30,	June 30,
Troubled debt restructured loans—accruing:					
Commercial and industrial	**$ 233,346**	**$ 162,207**	$ 116,331	$ 89,783	$ 90,604
Commercial real estate	**158,056**	**161,515**	177,156	186,542	212,736
Automobile	**24,774**	**25,876**	26,060	31,480	31,833
Home equity	**279,864**	**265,207**	252,084	229,500	221,539
Residential mortgage	**266,986**	**268,441**	265,084	271,762	289,239
Other consumer	**4,722**	**4,879**	4,018	3,313	3,496
Total troubled debt restructured loans—accruing	**967,748**	**888,125**	840,733	812,380	849,447
Troubled debt restructured loans—nonaccruing:					
Commercial and industrial	**46,303**	**21,246**	20,580	19,110	6,677
Commercial real estate	**19,490**	**28,676**	24,964	28,618	24,396
Automobile	**4,030**	**4,283**	4,552	4,817	4,287
Home equity	**26,568**	**26,379**	27,224	25,149	22,264
Residential mortgage	**65,415**	**69,799**	69,305	72,729	81,546
Other consumer	**160**	**165**	70	74	120
Total troubled debt restructured loans—nonaccruing	**161,966**	**150,548**	146,695	150,497	139,290
Total troubled debt restructured loans	**$1,129,714**	**$1,038,673**	$ 987,428	$ 962,877	$988,737

Our strategy is to structure TDRs in a manner that avoids new concessions subsequent to the initial TDR terms. However, there are times when subsequent modifications are required, such as when the modified loan matures. Often the loans are performing in accordance with the TDR terms, and a new note is originated with similar modified terms. These loans are subjected to the normal underwriting standards and processes for other similar credit extensions, both new and existing. If the loan is not performing in accordance with the existing TDR terms, typically an individualized approach to repayment is established. In accordance with ASC 310-20-35, the refinanced note is evaluated to determine if it is considered a new loan or a continuation of the prior loan. A new loan is considered for removal of the TDR designation. A continuation of the prior note requires the continuation of the TDR designation, and because the refinanced note constitutes a new or amended debt instrument, it is included in our TDR activity table (below) as a new TDR and a restructured TDR removal during the period. The types of concessions granted are consistent with those granted on new TDRs and include interest rate reductions, amortization or maturity date changes beyond what the collateral supports, and principal forgiveness based on the borrower’s specific needs at a point in time. Our policy does not limit the number of times a loan may be modified. A loan may be modified multiple times if it is considered to be in the best interest of both the borrower and Huntington.

Commercial loans are not automatically considered to be accruing TDRs upon the granting of a new concession. If the loan is in accruing status and no loss is expected based on the modified terms, the modified TDR remains in accruing status. For loans that are on nonaccrual status before the modification, collection of both principal and interest must not be in doubt, and the borrower must be able to exhibit sufficient cash flows for at least a six-month period of time to service the debt in order to return to accruing status. This six-month period could extend before or after the restructure date.

TDRs in the home equity and residential mortgage portfolio may continue to increase in the near term as we continue to appropriately manage the portfolio and work with our borrowers. Any granted change in terms or conditions that are not readily available in the market for that borrower requires the designation as a TDR. There are no provisions for the removal of the TDR designation based on payment activity for consumer loans. A loan may be returned to accrual status when all contractually due interest and principal has been paid and the borrower demonstrates the financial capacity to continue to pay as agreed, with the risk of loss diminished.

The following table reflects TDR activity for each of the past five quarters:

Table 17—Troubled Debt Restructured Loan Activity

	2015		2014		
(dollar amounts in thousands)	**Second**	**First**	Fourth	Third	Second
TDRs, beginning of period	**$1,038,673**	**$ 987,428**	$962,877	$988,737	$975,602
New TDRs	**259,911**	**209,376**	137,397	126,238	184,025
Payments	**(64,468)**	**(35,272)**	(51,908)	(78,717)	(66,530)
Charge-offs	**(12,307)**	**(8,364)**	(8,611)	(10,631)	(5,134)
Sales	**(4,508)**	**(5,148)**	(3,303)	(1,951)	(4,001)
Transfer to OREO	**(3,383)**	**(2,369)**	(2,978)	(3,554)	(3,539)
Restructured TDRs—accruing(1)	**(61,570)**	**(85,700)**	(26,350)	(47,277)	(83,586)
Restructured TDRs—nonaccruing(1)	**(20,456)**	**(20,849)**	(16,309)	(2,212)	(4,146)
Other	**(2,178)**	**(429)**	(3,387)	(7,756)	(3,954)
TDRs, end of period	**$1,129,714**	**$1,038,673**	$987,428	$962,877	$988,737

(1) Represents existing TDRs that were re-underwritten with new terms providing a concession. A corresponding amount is included in the New TDRs amount above.

ACL

(This section should be read in conjunction with Note 3 of the Notes to Unaudited Condensed Consolidated Financial Statements.)

Our total credit reserve is comprised of two different components, both of which in our judgment are appropriate to absorb credit losses inherent in our loan and lease portfolio: the ALLL and the AULC. Combined, these reserves comprise the total ACL. Our ACL methodology committee is responsible for developing the methodology, assumptions and estimates used in the calculation, as well as determining the appropriateness of the ACL. The ALLL represents the estimate of losses inherent in the loan portfolio at the reported date. Additions to the ALLL result from recording provision expense for loan losses or increased risk levels resulting from loan risk-rating downgrades, while reductions reflect charge-offs (net of recoveries), decreased risk levels resulting from loan risk-rating upgrades, or the sale of loans. The AULC is determined by applying the transaction reserve process to the unfunded portion of the loan exposures adjusted by an applicable funding expectation.

During the 2015 first quarter, we reviewed our existing commercial and consumer credit models and enhanced certain processes and methods of ACL estimation. During this review, we analyzed the loss emergence periods used for consumer receivables collectively evaluated for impairment and, as a result, extended our loss emergence periods for products within these portfolios. As part of these enhancements to our credit reserve process, we evaluated the methods used to separately estimate economic risks inherent in our portfolios and decided to no longer utilize these separate estimation techniques. Economic risks are now incorporated in our loss estimates elsewhere in our reserve calculation. The enhancements made to our credit reserve processes during the 2015 first quarter allow for increased segmentation and analysis of the estimated incurred losses within our loan portfolios. The net ACL impact of these enhancements was immaterial.

We regularly evaluate the appropriateness of the ACL by performing on-going evaluations of the loan and lease portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the level of delinquent loans, the value of any collateral and, where applicable, the existence of any guarantees or other documented support. We evaluate the impact of changes in interest rates and overall economic conditions on the ability of borrowers to meet their financial obligations when quantifying our exposure to credit losses and assessing the appropriateness of our ACL at each reporting date. In addition to general economic conditions and the other factors described above, additional factors also considered include: the impact of increasing or decreasing residential real estate values; the diversification of CRE loans; the development of new or expanded Commercial business verticals such as healthcare, ABL, and energy, and the overall condition of the manufacturing industry. A provision for credit losses is recorded to adjust the ACL to the level we have determined to be appropriate to absorb credit losses inherent in our loan and lease portfolio.

Our ACL evaluation process includes the on-going assessment of credit quality metrics, and a comparison of certain ACL benchmarks to current performance. While the total ACL balance has declined in recent quarters, all of the relevant benchmarks remain strong.

The table below reflects the allocation of our ACL among our various loan categories during each of the past five quarters:

Table 18—Allocation of Allowance for Credit Losses (1)

	2015				2014					
(dollar amounts in thousands)	**June 30,**		**March 31,**		December 31,		September 30,		June 30,	
Commercial										
Commercial and industrial	**$285,041**	**41%**	**$284,573**	**42%**	$286,995	40%	$291,401	40%	$278,512	41%
Commercial real estate	**92,060**	**11**	**100,752**	**11**	102,839	11	115,472	11	137,346	11
Total commercial	**377,101**	**52**	**385,325**	**53**	389,834	51	406,873	51	415,858	52
Consumer										
Automobile	**39,102**	**18**	**37,125**	**16**	33,466	18	30,732	18	27,158	17
Home equity	**111,178**	**17**	**110,280**	**18**	96,413	18	100,375	18	105,943	18
Residential mortgage	**51,679**	**12**	**55,380**	**12**	47,211	12	52,658	12	47,191	12
Other consumer	**20,482**	**1**	**17,016**	**1**	38,272	1	40,398	1	38,951	1
Total consumer	**222,441**	**48**	**219,801**	**47**	215,362	49	224,163	49	219,243	48
Total allowance for loan and lease losses	**599,542**	**100%**	**605,126**	**100%**	605,196	100%	631,036	100%	635,101	100%
Allowance for unfunded loan commitments	**55,371**		**54,742**		60,806		55,449		56,927	
Total allowance for credit losses	**$654,913**		**$659,868**		$666,002		$686,485		$692,028	
Total allowance for loan and leases losses as % of:										
Total loans and leases		**1.23%**		**1.27%**		1.27%		1.35%		1.38%
Nonaccrual loans and leases		**165**		**166**		202		194		195
Nonperforming assets		**151**		**151**		179		173		175
Total allowance for credit losses as % of:										
Total loans and leases		**1.34%**		**1.38%**		1.40%		1.47%		1.50%
Nonaccrual loans and leases		**180**		**181**		222		211		213
Nonperforming assets		**165**		**165**		197		188		191

(1) Percentages represent the percentage of each loan and lease category to total loans and leases.

2015 Second Quarter versus 2014 Fourth Quarter

The $11.1 million, or 2%, decline in the ACL compared with December 31, 2014, was driven by:

- $17.8 million or 46% decline in the ACL of the other consumer portfolio. The decline was driven by our assessment of consumer overdraft reserve factors and the impact of no longer utilizing separate methods to estimate economic risks inherent in our portfolios.
- $10.8 million or 10% decline in the ACL of the CRE portfolio. The decline was driven by a reduction in reserves associated with SAD resolutions during the period and the decision to no longer utilize separate methods to estimate economic risks inherent in our portfolio. However, the impact was largely offset by the increases to our reserve factors for high dollar exposure CRE credits.
- $2.0 million or 1% decline in the ACL of the C&I portfolios. The decline was driven by the decision to no longer utilize separate methods to estimate economic risks inherent in our portfolio. However, the impact was largely offset by the increases to our reserve factors for high dollar exposure C&I credits.

Partially offset by:

- $14.8 million or 15% increase in the ACL of the home equity portfolio. The increase was driven by the extension of loss emergence periods associated with our home equity products. It was partially offset by the impact of no longer utilizing separate methods to estimate economic risks inherent in our portfolio.
- $5.6 million, or 17% increase in the ACL of the automobile portfolio. The increase was driven by the extension of loss emergence periods associated with the automobile products. It was partially offset by the impact of no longer utilizing separate methods to estimate economic risks inherent in our portfolio.

The ACL to total loans ratio declined to 1.34% at June 30, 2015, compared to 1.40% at December 31, 2014. Management believes the decline in the ratio is appropriate given the continued improvement in the risk profile of our loan portfolio. Further, the continued focus on early identification of loans with changes in credit metrics and proactive action plans for these loans, originating high quality new loans, and SAD resolutions will contribute to maintaining our strong key credit quality metrics.

Given the combination of these noted positive and negative factors, we believe that our ACL is appropriate and its coverage level is reflective of the quality of our portfolio and the current operating environment.

NCOs

Any loan in any portfolio may be charged-off prior to the policies described below if a loss confirming event has occurred. Loss confirming events include, but are not limited to, bankruptcy (unsecured), continued delinquency, foreclosure, or receipt of an asset valuation indicating a collateral deficiency where that asset is the sole source of repayment. Additionally, discharged, collateral dependent non-reaffirmed debt in Chapter 7 bankruptcy filings will result in a charge-off to estimated collateral value, less anticipated selling costs at the time of discharge.

C&I and CRE loans are either charged-off or written down to net realizable value at 90-days past due with the exception of administrative small ticket lease delinquencies. Automobile loans and other consumer loans are charged-off at 120-days past due. First-lien and junior-lien home equity loans are charged-off to the estimated fair value of the collateral, less anticipated selling costs, at 150-days past due and 120-days past due, respectively. Residential mortgages are charged-off to the estimated fair value of the collateral, less anticipated selling costs, at 150-days past due.

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The following table reflects NCO detail for each of the last five quarters:

Table 19—Quarterly Net Charge-off Analysis

	2015		2014		
(dollar amounts in thousands)	**Second**	**First**	Fourth	Third	Second
Net charge-offs (recoveries) by loan and lease type:					
Commercial:					
Commercial and industrial	**$ 4,411**	**$11,403**	$ 333	$12,587	$10,597
Commercial real estate:					
Construction	**164**	**(383)**	(1,747)	2,171	(171)
Commercial	**5,361**	**(3,629)**	1,565	(8,178)	(2,020)
Commercial real estate	**5,525**	**(4,012)**	(182)	(6,007)	(2,191)
Total commercial	**9,936**	**7,391**	151	6,580	8,406
Consumer:					
Automobile	**3,442**	**4,248**	6,024	3,976	2,926
Home equity	**4,650**	**4,625**	6,321	6,448	8,491
Residential mortgage	**2,142**	**2,816**	3,059	5,428	3,406
Other consumer	**5,205**	**5,352**	7,420	7,591	5,414
Total consumer	**15,439**	**17,041**	22,824	23,443	20,237
Total net charge-offs	**$25,375**	**$24,432**	$22,975	$30,023	$28,643
Net charge-offs (recoveries)—annualized percentages:					
Commercial:					
Commercial and industrial	**0.09%**	**0.24%**	0.01%	0.27%	0.23%
Commercial real estate:					
Construction	**0.07**	**(0.17)**	(0.85)	1.12	(0.10)
Commercial	**0.51**	**(0.34)**	0.15	(0.78)	(0.19)
Commercial real estate	**0.43**	**(0.31)**	(0.01)	(0.48)	(0.17)
Total commercial	**0.16**	**0.12**	—	0.11	0.14
Consumer:					
Automobile	**0.17**	**0.19**	0.28	0.20	0.16
Home equity	**0.22**	**0.22**	0.30	0.31	0.41
Residential mortgage	**0.15**	**0.19**	0.21	0.38	0.24
Other consumer	**4.61**	**5.03**	7.20	7.61	5.66
Total consumer	**0.27**	**0.29**	0.39	0.42	0.37
Net charge-offs as a % of average loans	**0.21%**	**0.20%**	0.20%	0.26%	0.25%

The ALLL established is consistent with the level of risk associated with the original underwriting. As a part of our normal portfolio management process for commercial loans, the loan is periodically reviewed and the ALLL is increased or decreased based on the updated risk rating. In certain cases, the standard ALLL is determined to not be appropriate, and a specific reserve is established based on the projected cash flow or collateral value of the specific loan. Charge-offs, if necessary, are generally recognized in a period after the specific ALLL was established. If the previously established ALLL exceeds that necessary to satisfactorily resolve the problem loan, a reduction in the overall level of the ALLL could be recognized. Consumer loans are treated in much the same manner as commercial loans, with increasing reserve factors applied based on the risk characteristics of the loan, although specific reserves are not identified for consumer loans. In summary, if loan quality deteriorates, the typical credit sequence would be periods of reserve building, followed by periods of higher NCOs as the previously established ALLL is utilized. Additionally, an increase in the ALLL either precedes or is in conjunction with increases in NALs. When a loan is classified as NAL, it is evaluated for specific ALLL or charge-off. As a result, an increase in NALs does not necessarily result in an increase in the ALLL or an expectation of higher future NCOs.

All residential mortgage loans greater than 150-days past due are charged-down to the estimated value of the collateral, less anticipated selling costs. The remaining balance is in delinquent status until a modification can be completed, or the loan goes through the foreclosure process. For the home equity portfolio, virtually all of the defaults represent full charge-offs, as there is no remaining equity, creating a lower delinquency rate but a higher NCO impact.

2015 Second Quarter versus 2015 First Quarter

NCOs were an annualized 0.21% of average loans and leases in the current quarter, essentially flat with 0.20% in the 2015 first quarter, and still below our long-term expectation of 0.35% - 0.55%. Given the low level of C&I and CRE NCO’s, there will continue to be some volatility on a quarter-to-quarter comparison basis.

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The table below reflects NCO detail for the six-month periods ended June 30, 2015 and 2014:

Table 20—Year to Date Net Charge-off Analysis

(dollar amounts in thousands)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Net charge-offs by loan and lease type:		
Commercial:		
Commercial and industrial	**$15,814**	$ 19,203
Commercial real estate:		
Construction	**(219)**	747
Commercial	**1,732**	(3,925)
Commercial real estate	**1,513**	(3,178)
Total commercial	**17,327**	16,025
Consumer:		
Automobile	**7,690**	7,568
Home equity	**9,275**	24,178
Residential mortgage	**4,958**	11,265
Other consumer	**10,557**	12,593
Total consumer	**32,480**	55,604
Total net charge-offs	**$49,807**	$ 71,629
Net charge-offs—annualized percentages:		
Commercial:		
Commercial and industrial	**0.16%**	0.21%
Commercial real estate:		
Construction	**(0.05)**	0.23
Commercial	**0.08**	(0.18)
Commercial real estate	**0.06**	(0.13)
Total commercial	**0.14**	0.14
Consumer:		
Automobile	**0.18**	0.21
Home equity	**0.22**	0.58
Residential mortgage	**0.17**	0.41
Other consumer	**4.81**	6.55
Total consumer	**0.28**	0.52
Net charge-offs as a % of average loans	**0.21%**	0.32%

2015 First Six Months versus 2014 First Six Months

NCOs decreased $21.8 million in the first six-month period of 2015 to $49.8 million, primarily as a result of continued credit quality improvement in the home equity and residential mortgage portfolios.

Market Risk

Market risk represents the risk of loss due to changes in market values of assets and liabilities. We incur market risk in the normal course of business through exposures to market interest rates, foreign exchange rates, equity prices, and credit spreads. We have identified two primary sources of market risk: interest rate risk and price risk.

Interest Rate Risk

OVERVIEW

Huntington actively manages interest rate risk, as changes in market interest rates can have a significant impact on reported earnings. The interest rate risk process is designed to compare income simulations in market scenarios designed to alter the direction, magnitude, and speed of interest rate changes, as well as the slope of the yield curve. These scenarios are designed to illustrate the embedded optionality in the balance sheet from, among other things, faster or slower mortgage, and mortgage backed securities prepayments, and changes in funding mix.

INCOME SIMULATION AND ECONOMIC VALUE ANALYSIS

Interest rate risk measurement is calculated and reported to the ALCO monthly and ROC at least quarterly. The information reported includes period-end results and identifies any policy limits exceeded, along with an assessment of the policy limit breach and the action plan and timeline for resolution, mitigation, or assumption of the risk.

Huntington uses two approaches to model interest rate risk: Net Interest Income at Risk (NII at Risk) and Economic Value of Equity at Risk (EVE). Under NII at Risk, net interest income is modeled utilizing various assumptions for assets, liabilities, and derivative positions under various interest rate scenarios over a one-year time horizon. EVE measures the period end market value of assets minus the market value of liabilities and the change in this value as rates change. EVE is a period end measurement.

Table 21—Net Interest Income at Risk

	Net Interest Income at Risk (%)		
Basis point change scenario	-25	+100	+200
Board policy limits	—	-2.0%	-4.0%
June 30, 2015	**-0.2%**	**0.6%**	**0.5%**
December 31, 2014	-0.2%	0.5%	0.2%

The NII at Risk results included in the table above reflect the analysis used monthly by management. It models gradual -25, +100 and +200 basis point parallel shifts in market interest rates, implied by the forward yield curve over the next one-year period. Due to the current low level of short-term interest rates, the analysis reflects a declining interest rate scenario of 25 basis points, the point at which many assets and liabilities reach zero percent.

Huntington is within board of director policy limits for the +100 and +200 basis point scenarios. There is no policy limit for the -25 basis point scenario. The NII at Risk reported at June 30, 2015, shows that Huntington’s earnings are not particularly sensitive to these types of changes in interest rates over the next year. In the recent period, the amount of variable rate assets, primarily commercial loans, increased resulting in an increase in asset sensitivity. This increase is somewhat offset by our portfolio of mortgage-related loans and securities, whose expected maturities lengthen as rates rise.

As of June 30, 2015, Huntington had $9.3 billion of notional value in receive fixed-generic asset conversion swaps used for asset and liability management purposes. These derivative instruments mature from 2015 through 2018, for $1.0 billion, $3.6 billion, $4.6 billion, and $0.1 billion, in each year, respectively.

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Table 22—Economic Value of Equity at Risk

	Economic Value of Equity at Risk (%)		
Basis point change scenario	-25	+100	+200
Board policy limits	—	-5.0%	-12.0%
June 30, 2015	**-0.4%**	**-0.3%**	**-2.0%**
December 31, 2014	-0.6%	0.4%	-1.5%

The EVE results included in the table above reflect the analysis used monthly by management. It models immediate -25, +100 and +200 basis point parallel shifts in market interest rates. Due to the current low level of short-term interest rates, the analysis reflects a declining interest rate scenario of 25 basis points, the point at which many assets and liabilities reach zero percent.

Huntington is within board of director policy limits for the +100 and +200 basis point scenarios. There is no policy limit for the -25 basis point scenario. The EVE reported at June 30, 2015 shows that as interest rates increase (decrease) immediately, the economic value of equity position will decrease (increase). When interest rates rise, fixed rate assets generally lose economic value; the longer the duration, the greater the value lost. The opposite is true when interest rates fall. When interest rates rise, fixed rate liabilities generally increase economic value; the longer the duration, the greater the value gained. The opposite is true when interest rates fall. The EVE at risk reported as of June 30, 2015 for the +200 basis points scenario shows a change to a more liability sensitive position compared with December 31, 2014. The primary factor contributing to this change was the addition of longer duration HQLA in preparation for LCR compliance, principally driven by GNMA securities.

MSRs

(This section should be read in conjunction with Note 6 of Notes to Unaudited Condensed Consolidated Financial Statements.)

At June 30, 2015, we had a total of $163.8 million of capitalized MSRs representing the right to service $15.7 billion in mortgage loans. Of this $163.8 million, $20.7 million was recorded using the fair value method and $143.1 million was recorded using the amortization method.

MSR fair values are sensitive to movements in interest rates as expected future net servicing income depends on the projected outstanding principal balances of the underlying loans, which can be reduced by prepayments. Prepayments usually increase when mortgage interest rates decline and decrease when mortgage interest rates rise. We have employed strategies to reduce the risk of MSR fair value changes or impairment. However, volatile changes in interest rates can diminish the effectiveness of these economic hedges. We report MSR fair value adjustments net of hedge-related trading activity in the mortgage banking income category of noninterest income. Changes in fair value between reporting dates are recorded as an increase or a decrease in mortgage banking income.

MSRs recorded using the amortization method generally relate to loans originated with historically low interest rates, resulting in a lower probability of prepayments and, ultimately, impairment. MSR assets are included in accrued income and other assets in the Unaudited Condensed Consolidated Financial Statements.

Price Risk

Price risk represents the risk of loss arising from adverse movements in the prices of financial instruments that are carried at fair value and are subject to fair value accounting. We have price risk from trading securities, securities owned by our broker-dealer subsidiary, foreign exchange positions, equity investments, investments in securities backed by mortgage loans, and marketable equity securities held by our insurance subsidiaries. We have established loss limits on the trading portfolio, on the amount of foreign exchange exposure that can be maintained, and on the amount of marketable equity securities that can be held by the insurance subsidiaries.

Liquidity Risk

Liquidity risk is the risk of loss due to the possibility that funds may not be available to satisfy current or future commitments. Please see the Liquidity Risk section in Item 1A of our 2014 Form 10-K for more details. In addition, the mix and maturity structure of Huntington’s balance sheet, the amount of on-hand cash, unencumbered securities, and the availability of contingent sources of funding can have an impact on Huntington’s ability to satisfy current or future funding commitments. We manage liquidity risk at both the Bank and the parent company.

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The overall objective of liquidity risk management is to ensure that we can obtain cost-effective funding to meet current and future obligations, and can maintain sufficient levels of on-hand liquidity, under both normal business-as-usual and unanticipated stressed circumstances. The ALCO was appointed by the ROC to oversee liquidity risk management and the establishment of liquidity risk policies and limits. Contingency funding plans are in place, which measure forecasted sources and uses of funds under various scenarios in order to prepare for unexpected liquidity shortages. Liquidity risk is reviewed monthly for the Bank and the parent company, as well as its subsidiaries. In addition, liquidity working groups meet regularly to identify and monitor liquidity positions, provide policy guidance, review funding strategies, and oversee the adherence to, and maintenance of, the contingency funding plans.

Investment Securities Portfolio

The expected weighted average maturities of our AFS and HTM portfolios are significantly shorter than their contractual maturities as reflected in Note 4 and Note 5 of the Notes to Unaudited Condensed Consolidated Financial Statements. Particularly regarding the mortgage-backed securities and asset-backed securities, prepayments of principal and interest that historically occur in advance of scheduled maturities will shorten the expected life of these portfolios. The expected weighted average maturities, which take into account expected prepayments of principal and interest under existing interest rate conditions, are shown in the following table:

Table 23—Expected Life of Investment Securities

	June 30, 2015			
	Available-for-Sale & Other Securities		Held-to-Maturity Securities	
(dollar amounts in thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Under 1 year	$ 458,037	$ 446,814	$ —	$ —
1 - 5 years	3,273,081	3,322,638	638,225	638,300
6 - 10 years	5,133,966	5,153,706	2,477,544	2,484,483
Over 10 years	993,220	986,062	188,391	186,696
Other securities	344,880	345,651	—	—
Total	$10,203,184	$10,254,871	$3,304,160	$3,309,479

Bank Liquidity and Sources of Funding

Our primary sources of funding for the Bank are retail and commercial core deposits. At June 30, 2015, these core deposits funded 73% of total assets (103% of total loans). At June 30, 2015 and December 31, 2014, total core deposits represented 94% of total deposits. Other sources of liquidity include non-core deposits, FHLB advances, wholesale debt instruments, and securitizations.

Demand deposit overdrafts that have been reclassified as loan balances were $18.8 million and $18.7 million at June 30, 2015 and December 31, 2014, respectively.

The following tables reflect deposit composition and short-term borrowings detail for each of the last five quarters:

Table 24—Deposit Composition

	2015				2014					
(dollar amounts in millions)	**June 30,**		**March 31,**		December 31,		September 30,		June 30,	
By Type:										
Demand deposits—noninterest-bearing	**$17,011**	**32%**	**$15,960**	**30%**	$15,393	30%	$14,754	29%	$14,151	29%
Demand deposits—interest-bearing	**6,627**	**12**	**6,537**	**13**	6,248	12	6,052	12	5,921	12
Money market deposits	**18,580**	**35**	**18,933**	**36**	18,986	37	18,174	36	17,563	36
Savings and other domestic deposits	**5,240**	**10**	**5,288**	**10**	5,048	10	5,038	10	5,036	10
Core certificates of deposit	**2,580**	**5**	**2,709**	**5**	2,936	5	3,150	6	3,272	7
Total core deposits:	**50,038**	**94**	**49,427**	**94**	48,611	94	47,168	93	45,943	94
Other domestic deposits of $250,000 or more	**178**	**—**	**189**	**—**	198	—	202	1	241	—
Brokered deposits and negotiable CDs	**2,705**	**5**	**2,682**	**5**	2,522	5	2,357	5	2,198	5
Deposits in foreign offices	**552**	**1**	**535**	**1**	401	1	402	1	367	1
Total deposits	**$53,473**	**100%**	**$52,833**	**100%**	$51,732	100%	$50,129	100%	$48,749	100%
Total core deposits:										
Commercial	**$24,103**	**48%**	**$23,061**	**47%**	$22,725	47%	$21,753	46%	$20,629	45%
Consumer	**25,935**	**52**	**26,366**	**53**	25,886	53	25,415	54	25,314	55
Total core deposits	**$50,038**	**100%**	**$49,427**	**100%**	$48,611	100%	$47,168	100%	$45,943	100%

Table 25—Federal Funds Purchased and Repurchase Agreements

(dollar amounts in millions)	**2015** June 30,	**2015** March 31,	2014 December 31,	2014 September 30,	2014 June 30,
Balance at period-end					
Federal Funds purchased and securities sold under agreements to repurchase	**$1,101**	**$ 1,112**	$ 1,058	$ 1,491	$1,223
Federal Home Loan Bank advances	**375**	**875**	1,325	1,650	2,375
Other short-term borrowings	**35**	**20**	14	40	29
Weighted average interest rate at period-end					
Federal Funds purchased and securities sold under agreements to repurchase	**0.05%**	**0.06%**	0.08%	0.05%	0.05%
Federal Home Loan Bank advances	**0.15**	**0.15**	0.15	0.22	0.15
Other short-term borrowings	**0.17**	**0.15**	1.11	1.06	1.41
Maximum amount outstanding at month-end during the period					
Federal Funds purchased and securities sold under agreements to repurchase	**$1,101**	**$ 1,120**	$ 1,176	$ 1,491	$1,223
Federal Home Loan Bank advances	**1,850**	**1,450**	1,325	1,975	2,375
Other short-term borrowings	**35**	**43**	26	40	29
Average amount outstanding during the period					
Federal Funds purchased and securities sold under agreements to repurchase	**$ 898**	**$ 1,057**	$ 1,089	$ 1,072	$ 910
Federal Home Loan Bank advances	**1,236**	**796**	1,569	2,101	1,848
Other short-term borrowings	**19**	**29**	25	20	29
Weighted average interest rate during the period					
Federal Funds purchased and securities sold under agreements to repurchase	**0.07%**	**0.07%**	0.08%	0.07%	0.06%
Federal Home Loan Bank advances	**0.16**	**0.15**	0.17	0.29	0.09
Other short-term borrowings	**1.94**	**0.75**	1.37	2.22	1.64

The Bank maintains borrowing capacity at the FHLB and the Federal Reserve Bank Discount Window. The Bank does not consider borrowing capacity from the Federal Reserve Bank Discount Window as a primary source of liquidity. Total loans and securities pledged to the Federal Reserve Discount Window and the FHLB are $17.2 billion and $18.0 billion at June 30, 2015 and December 31, 2014, respectively.

For further information related to debt issuances please see Note 8 of Notes to Unaudited Condensed Consolidated Financial Statements.

At June 30, 2015, total wholesale funding was $10.8 billion, an increase from $9.9 billion at December 31, 2014. The increase from prior year-end primarily relates to an increase in other long-term debt, partially offset by a decrease in FHLB advances and short-term borrowings.

Liquidity Coverage Ratio

On October 24, 2013, the U.S. banking regulators jointly issued a proposal that would implement a quantitative liquidity requirement consistent with the Liquidity Coverage Ratio (LCR) standard established by the Basel Committee on Banking Supervision. The LCR is designed to promote the short-term resilience of the liquidity risk profile of banks to which it applies.

On September 3, 2014, the U.S. banking regulators adopted a final LCR for internationally active banking organizations, generally those with $250 billion or more in total assets, and a Modified LCR rule for banking organizations, similar to Huntington, with $50 billion or more in total assets that are not internationally active banking organizations. The Modified LCR requires Huntington to maintain HQLA to meet its net cash outflows over a prospective 30 calendar-day period, which takes into account the potential impact of idiosyncratic and market-wide shocks. The Modified LCR transition period begins on January 1, 2016, with Huntington required to maintain HQLA equal to 90 percent of the stated requirement. The ratio increases to 100 percent on January 1, 2017. Huntington expects to be compliant with the Modified LCR requirement within the transition periods established in the Modified LCR rule.

At June 30, 2015, we believe the Bank had sufficient liquidity to meet its cash flow obligations for the foreseeable future.

Parent Company Liquidity

The parent company's funding requirements consist primarily of dividends to shareholders, debt service, income taxes, operating expenses, funding of nonbank subsidiaries, repurchases of our stock, and acquisitions. The parent company obtains funding to meet obligations from dividends and interest received from the Bank, interest and dividends received from direct subsidiaries, net taxes collected from subsidiaries included in the federal consolidated tax return, fees for services provided to subsidiaries, and the issuance of debt and equity securities.

At June 30, 2015 and December 31, 2014, the parent company had $0.9 billion and $0.7 billion, respectively, in cash and cash equivalents.

On July 22, 2015, the board of directors declared a quarterly common stock cash dividend of $0.06 per common share. The dividend is payable on October 1, 2015, to shareholders of record on September 17, 2015. Based on the current quarterly dividend of $0.06 per common share, cash demands required for common stock dividends are estimated to be approximately $48.2 million per quarter. On July 22, 2015, the board of directors declared a quarterly Series A and Series B Preferred Stock dividend payable on October 15, 2015 to shareholders of record on October 1, 2015. Based on the current dividend, cash demands required for Series A Preferred Stock are estimated to be approximately $7.7 million per quarter. Cash demands required for Series B Preferred Stock are expected to be approximately $0.3 million per quarter.

During the quarter, the Bank paid dividends of $147.0 million to the holding company. The Bank declared a dividend to the holding company of $187.0 million in the third quarter of 2015. To help meet any additional liquidity needs, we have an open-ended, automatic shelf registration statement filed and effective with the SEC, which permits the parent company to issue an unspecified amount of debt or equity securities.

With the exception of the items discussed above, the parent company does not have any significant cash demands. It is our policy to keep operating cash on hand at the parent company to satisfy expected cash demands for at least the next 18 months. Considering the factors discussed above, and other analyses that we have performed, we believe the parent company has sufficient liquidity to meet its cash flow obligations for the foreseeable future.

Off-Balance Sheet Arrangements

In the normal course of business, we enter into various off-balance sheet arrangements. These arrangements include commitments to extend credit, interest rate swaps, financial guarantees contained in standby letters-of-credit issued by the Bank, and commitments by the Bank to sell mortgage loans.

COMMITMENTS TO EXTEND CREDIT

Commitments to extend credit generally have fixed expiration dates, are variable-rate, and contain clauses that permit Huntington to terminate or otherwise renegotiate the contracts in the event of a significant deterioration in the customer's credit quality. These arrangements normally require the payment of a fee by the customer, the pricing of which is based on prevailing market conditions, credit quality, probability of funding, and other relevant factors. Since many of these commitments are expected to expire without being drawn upon, the contract amounts are not necessarily indicative of future cash requirements. The interest rate risk arising from these financial instruments is insignificant as a result of their predominantly short-term, variable-rate nature. See Note 17 for more information.

INTEREST RATE SWAPS

Balance sheet hedging activity is arranged to receive hedge accounting treatment and is classified as either fair value or cash flow hedges. Fair value hedges are purchased to convert deposits and long-term debt from fixed-rate obligations to floating rate. Cash flow hedges are also used to convert floating rate loans made to customers into fixed rate loans. See Note 15 for more information.

STANDBY LETTERS-OF-CREDIT

Standby letters-of-credit are conditional commitments issued to guarantee the performance of a customer to a third party. These guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. Most of these arrangements mature within two years and are expected to expire without being drawn upon. Standby letters-of-credit are included in the determination of the amount of risk-based capital that the parent company and the Bank are required to hold. Through our credit process, we monitor the credit risks of outstanding standby letters-of-credit. When it is probable that a standby letter-of-credit will be drawn and not repaid in full, a loss is recognized in the provision for credit losses. See Note 17 for more information.

COMMITMENTS TO SELL LOANS

Activity related to our mortgage origination activity supports the hedging of the mortgage pricing commitments to customers and the secondary sale to third parties. In addition, we have commitments to sell residential real estate loans. These contracts mature in less than one year. See Note 17 for more information.

We believe that off-balance sheet arrangements are properly considered in our liquidity risk management process.

Operational Risk

Operational risk is the risk of loss due to human error; inadequate or failed internal systems and controls, including the use of financial or other quantitative methodologies that may not adequately predict future results; violations of, or noncompliance with, laws, rules, regulations, prescribed practices, or ethical standards; and external influences such as market conditions, fraudulent activities, disasters, and security risks. We continuously strive to strengthen our system of internal controls to ensure compliance with laws, rules, and regulations, and to improve the oversight of our operational risk. We actively and continuously monitor cyber-attacks such as attempts related to online deception and loss of sensitive customer data. We evaluate internal systems, processes and controls to mitigate loss from cyber-attacks and, to date, have not experienced any material losses.

Our objective for managing cyber security risk is to avoid or minimize the impacts of external threat events or other efforts to penetrate our systems. We work to achieve this objective by hardening networks and systems against attack, and by diligently managing visibility and monitoring controls within our data and communications environment to recognize events and respond before the attacker has the opportunity to plan and execute on their own goals. To this end we employ a set of defense in-depth strategies, which include efforts to make Huntington less attractive as a target and less vulnerable to threats, while investing in threat analytic capabilities for rapid detection and response. Potential concerns related to cyber security may be escalated to our board-level Technology Committee, as appropriate. As a complement to the overall cyber security risk management, we use a number of internal training methods, both formally through mandatory courses and informally through written communications and other updates. Internal policies and procedures have been implemented to encourage the reporting of potential phishing attacks or other security risks. We also use third party services to test the effectiveness of our cyber security risk management framework, and any such third parties are required to comply with our policies regarding information security and confidentiality.

To mitigate operational risks, we have a senior management Operational Risk Committee and a senior management Legal, Regulatory, and Compliance Committee. The responsibilities of these committees, among other duties, include establishing and maintaining management information systems to monitor material risks and to identify potential concerns, risks, or trends that may have a significant impact and ensuring that recommendations are developed to address the identified issues. In addition, we have a senior management Model Risk Oversight Committee that is responsible for policies and procedures describing how model risk is evaluated and managed and the application of the governance process to implement these practices throughout the enterprise. These committees report any significant findings and recommendations to the Risk Management Committee. Potential concerns may be escalated to our ROC, as appropriate.

The goal of this framework is to implement effective operational risk techniques and strategies, minimize operational, fraud, and legal losses, minimize the impact of inadequately designed models and enhance our overall performance.

Representation and Warranty Reserve

We primarily conduct our mortgage loan sale and securitization activity with FNMA and FHLMC. In connection with these and other securitization transactions, we make certain representations and warranties that the loans meet certain criteria, such as collateral type and underwriting standards. We may be required to repurchase individual loans and / or indemnify these organizations against losses due to a loan not meeting the established criteria. We have a reserve for such losses and exposure, which is included in accrued expenses and other liabilities. The reserves are estimated based on historical and expected repurchase activity, average loss rates, and current economic trends. The level of mortgage loan repurchase losses depends upon economic factors, investor demand strategies and other external conditions containing a level of uncertainty and risk that may change over the life of the underlying loans. We currently do not have sufficient information to estimate the range of reasonably possible loss related to representation and warranty exposure.

The tables below reflect activity in the representations and warranties reserve:

Table 26—Summary of Reserve for Representations and Warranties on Mortgage Loans Serviced for Others

	2015		2014		
(dollar amounts in thousands)	**Second**	**First**	Fourth	Third	Second
Reserve for representations and warranties, beginning of period	**$11,520**	**$12,677**	$13,816	$15,249	$17,094
Reserve charges	**(536)**	**(1,359)**	(518)	(499)	(1,047)
Provision for representations and warranties	**(385)**	**202**	(621)	(934)	(798)
Reserve for representations and warranties, end of period	**$10,599**	**$11,520**	$12,677	$13,816	$15,249

Table 27—Mortgage Loan Repurchase Statistics

	2015		2014		
(dollar amounts in thousands)	**Second**	**First**	Fourth	Third	Second
Number of loans sold	**6,802**	**4,421**	4,544	4,880	4,599
Amount of loans sold (UPB)	**$1,022,202**	**$651,161**	$633,837	$660,133	$572,861
Number of loans repurchased (1)	**23**	**32**	19	18	33
Amount of loans repurchased (UPB) (1)	**$ 2,754**	**$ 3,883**	$ 1,935	$ 2,224	$ 3,766
Number of claims received	**64**	**60**	33	38	43
Successful dispute rate (2)	**59%**	**6%**	30%	25%	40%
Number of make whole payments (3)	**4**	**11**	7	4	20
Amount of make whole payments (3)	**$ 221**	**$ 625**	$ 197	$ 119	$ 844

(1) Loans repurchased are loans that fail to meet the purchaser's terms.
(2) Successful disputes are a percent of close out requests.
(3) Make whole payments are payments to reimburse for losses on foreclosed properties.

Compliance Risk

Financial institutions are subject to many laws, rules, and regulations at both the federal and state levels. In September 2014, for example, the Office of the Comptroller of the Currency issued its final rule formalizing its "heightened expectations" supervisory regime for the largest federally chartered depository institutions, including Huntington, to improve risk management and ensure boards can challenge decisions made by management. These broad-based laws, rules, and regulations include, but are not limited to, expectations relating to anti-money laundering, lending limits, client privacy, fair lending, prohibitions against unfair, deceptive or abusive acts or practices, protections for military members as they enter active duty, and community reinvestment. Additionally, the volume and complexity of recent regulatory changes have increased our overall compliance risk. As such, we utilize various resources to help ensure expectations are met, including a team of compliance experts dedicated to ensuring our conformance with all applicable laws, rules, and regulations. Our colleagues receive training for several broad-based laws and regulations including, but not limited to, anti-money laundering and customer privacy. Additionally, colleagues engaged in lending activities receive training for laws and regulations related to flood disaster protection, equal credit opportunity, fair lending, and / or other courses related to the extension of credit. We set a high standard of expectation for adherence to compliance management and seek to continuously enhance our performance.

Capital

Both regulatory capital and shareholders' equity are managed at the Bank and on a consolidated basis. We have an active program for managing capital and maintain a comprehensive process for assessing the Company's overall capital adequacy. We believe our current levels of both regulatory capital and shareholders' equity are adequate.

Regulatory Capital

Beginning in the 2015 first quarter, we became subject to the Basel III capital requirements including the standardized approach for calculating risk-weighted assets in accordance with subpart D of the final capital rule. The following table presents risk-weighted assets and other financial data necessary to calculate certain financial ratios, including the common equity tier 1 ratio on a Basel III basis, which we use to measure capital adequacy. The implementation of the Basel III capital requirements is transitional and phases-in from January 1, 2015 through the end of 2018.

The Basel III capital requirements emphasize common equity tier 1 capital, the most loss-absorbing form of capital, and implement strict eligibility criteria for regulatory capital instruments. Common equity tier 1 capital primarily includes common shareholders' equity less certain deductions for goodwill and other intangibles net of related taxes, MSRs net of related taxes and DTAs that arise from tax loss and credit carryforwards. Tier 1 capital is primarily comprised of common equity tier 1 capital, perpetual preferred stock and certain qualifying capital instruments (TRUPS) that are subject to phase-out from tier 1 capital. Tier 2 capital primarily includes qualifying subordinated debt and qualifying ALLL.

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Table 28—Capital Under Current Regulatory Standards (transitional Basel III basis)

(dollar amounts in millions)	2015 June 30,	2015 March 31,
Common equity tier 1 risk-based capital ratio:		
Total shareholders' equity	**$ 6,496**	**$ 6,462**
Regulatory capital adjustments:		
Shareholders' preferred equity	**(386)**	**(386)**
Accumulated other comprehensive income offset	**186**	**161**
Goodwill and other intangibles, net of taxes	**(701)**	**(700)**
Deferred tax assets that arise from tax loss and credit carryforwards	**(15)**	**(36)**
Common equity tier 1 capital	**5,580**	**5,501**
Additional tier 1 capital		
Shareholders' preferred equity	**386**	**386**
Qualifying capital instruments subject to phase-out	**76**	**76**
Other	**(22)**	**(53)**
Tier 1 capital	**6,020**	**5,910**
LTD and other tier 2 qualifying instruments	**623**	**648**
Qualifying allowance for loan and lease losses	**655**	**660**
Tier 2 capital	**1,278**	**1,308**
Total risk-based capital	**$ 7,298**	**$ 7,218**
Risk-weighted assets (RWA)	**$57,850**	**$57,840**
Common equity tier 1 risk-based capital ratio	**9.65%**	**9.51%**
Other regulatory capital data:		
Tier 1 leverage ratio	**8.98%**	**9.04%**
Tier 1 risk-based capital ratio	**10.41**	**10.22**
Total risk-based capital ratio	**12.62**	**12.48**

Table 29—Capital Adequacy—Non-Regulatory

(dollar amounts in millions)	2015 June 30,	2015 March 31,	2014 December 31,	2014 September 30,	2014 June 30,
Consolidated capital calculations:					
Common shareholders' equity	**$ 6,110**	**$ 6,076**	$ 5,942	$ 5,898	$ 5,855
Preferred shareholders' equity	**386**	**386**	386	386	386
Total shareholders' equity	**6,496**	**6,462**	6,328	6,284	6,241
Goodwill	**(678)**	**(678)**	(523)	(523)	(505)
Other intangible assets	**(63)**	**(73)**	(75)	(85)	(81)
Other intangible assets deferred tax liability (1)	**22**	**25**	26	30	28
Total tangible equity	**5,777**	**5,736**	5,756	5,706	5,683
Preferred shareholders' equity	**(386)**	**(386)**	(386)	(386)	(386)
Total tangible common equity	**$ 5,391**	**$ 5,350**	$ 5,370	$ 5,320	$ 5,297
Total assets	**$68,846**	**$68,003**	$ 66,298	$ 64,331	$63,797
Goodwill	**(678)**	**(678)**	(523)	(523)	(505)
Other intangible assets	**(63)**	**(73)**	(75)	(85)	(81)
Other intangible assets deferred tax liability (1)	**22**	**25**	26	30	28
Total tangible assets	**$68,127**	**$67,277**	$ 65,726	$ 63,753	$63,239
Tier 1 capital (2)	**$ N.A.**	**$ N.A.**	$ 6,266	$ 6,180	$ 6,132
Preferred shareholders' equity	**N.A.**	**N.A.**	(386)	(386)	(386)
Trust preferred securities	**N.A.**	**N.A.**	(304)	(304)	(304)
Tier 1 common equity (2)	**$ N.A.**	**$ N.A.**	$ 5,576	$ 5,490	$ 5,442
Risk-weighted assets (RWA) (2)	**$ N.A.**	**$ N.A.**	$ 54,479	$ 53,239	$53,035
Tier 1 common equity / RWA ratio (2)	**N.A.%**	**N.A.%**	10.23%	10.31%	10.26%
Tangible equity / tangible asset ratio	**8.48**	**8.53**	8.76	8.95	8.99
Tangible common equity / tangible asset ratio	**7.91**	**7.95**	8.17	8.35	8.38

(1) Other intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.
(2) Ratios are calculated on a Basel I basis.

N.A. On January 1, 2015, we became subject to the Basel III capital requirements including the standardized approach for calculating risk-weighted assets in accordance with subpart D of the final capital rule.

The following table presents certain regulatory capital data at both the consolidated and Bank levels for each of the past five quarters:

Table 30—Regulatory Capital Data (1)

		Basel III		Basel I		
		2015		2014		
(dollar amounts in millions)		**June 30,**	**March 31,**	December 31,	September 30,	June 30,
Total risk-weighted assets	Consolidated	**$57,850**	**$57,840**	$ 54,479	$ 53,239	$53,035
	Bank	**57,772**	**57,752**	54,387	53,132	53,005
Common equity tier I risk-based capital	Consolidated	**5,580**	**5,501**	N.A.	N.A.	N.A.
	Bank	**5,497**	**5,448**	N.A.	N.A.	N.A.
Tier 1 risk-based capital	Consolidated	**6,020**	**5,910**	6,266	6,180	6,132
	Bank	**5,716**	**5,664**	6,136	5,963	5,982
Tier 2 risk-based capital	Consolidated	**1,278**	**1,308**	1,122	1,122	1,118
	Bank	**747**	**776**	820	821	819
Total risk-based capital	Consolidated	**7,298**	**7,218**	7,388	7,302	7,250
	Bank	**6,463**	**6,440**	6,956	6,784	6,801
Tier 1 leverage ratio	Consolidated	**8.98%**	**9.04%**	9.74%	9.83%	10.01%
	Bank	**8.54**	**8.67**	9.56	9.49	9.78
Common equity tier I risk-based capital ratio	Consolidated	**9.65**	**9.51**	N.A.	N.A.	N.A.
	Bank	**9.51**	**9.43**	N.A.	N.A.	N.A.
Tier 1 risk-based capital ratio	Consolidated	**10.41**	**10.22**	11.50	11.61	11.56
	Bank	**9.89**	**9.81**	11.28	11.22	11.29
Total risk-based capital ratio	Consolidated	**12.62**	**12.48**	13.56	13.72	13.67
	Bank	**11.19**	**11.15**	12.79	12.77	12.83

(1) On January 1, 2015, we became subject to the Basel III capital requirements including the standardized approach for calculating risk-weighted assets in accordance with subpart D of the final capital rule. Amounts presented prior to January 1, 2015 are calculated using the Basel I capital requirements.

At June 30, 2015, we maintained Basel III transitional capital ratios in excess of the well-capitalized standards established by the FRB. All capital ratios were impacted by the repurchase of 13.8 million common shares 2015.

Shareholders' Equity

We generate shareholders' equity primarily through the retention of earnings, net of dividends and share repurchases. Other potential sources of shareholders' equity include issuances of common and preferred stock. Our objective is to maintain capital at an amount commensurate with our risk profile and risk tolerance objectives, to meet both regulatory and market expectations, and to provide the flexibility needed for future growth and business opportunities. Shareholders' equity totaled $6.5 billion at June 30, 2015, an increase of $0.2 billion when compared with December 31, 2014.

Dividends

We consider disciplined capital management as a key objective, with dividends representing one component. Our strong capital ratios and expectations for continued earnings growth positions us to continue to actively explore additional capital management opportunities.

On July 22, 2015, our board of directors declared a quarterly cash dividend of $0.06 per common share, payable on October 1, 2015. Also, cash dividends of $0.06 per share were declared on April 21, 2015 and January 22, 2015.

On July 22, 2015, our board of directors also declared a quarterly cash dividend on our 8.50% Series A Non-Cumulative Perpetual Convertible Preferred Stock of $21.25 per share. The dividend is payable on October 15, 2015. Also, cash dividends of $21.25 per share were declared on April 21, 2015 and January 22, 2015.

On July 22, 2015, our board of directors also declared a quarterly cash dividend on our Floating Rate Series B Non-Cumulative Perpetual Preferred Stock of $7.47 per share. The dividend is payable on October 15, 2015. Also, cash dividends of $7.44 per share and $7.38 per share were declared on April 21, 2015 and January 22, 2015, respectively.

Share Repurchases

From time to time the board of directors authorizes the Company to repurchase shares of our common stock. Although we announce when the board of directors authorizes share repurchases, we typically do not give any public notice before we repurchase our shares. Future stock repurchases may be private or open-market repurchases, including block transactions, accelerated or delayed block transactions, forward transactions, and similar transactions. Various factors determine the amount and timing of our share repurchases, including our capital requirements, the number of shares we expect to issue for employee benefit plans and acquisitions, market conditions (including the trading price of our stock), and regulatory and legal considerations, including the FRB's response to our annual capital plan.

On March 11, 2015, Huntington announced that the Federal Reserve did not object to the proposed capital actions included in Huntington's capital plan submitted to the FRB in January 2015. These actions included a 17% increase in the quarterly dividend per common share to $0.07, starting in the fourth quarter of 2015, and the potential repurchase of up to $366 million of common stock over the five-quarter period through the second quarter of 2016. During the 2015 second quarter, we repurchased 8.8 million shares, with a weighted average price of $11.20. Total share repurchases during the six-month period ended June 30, 2015 were 13.8 million shares, with a weighted average price of $10.92. We have approximately $267.0 million remaining under the current authorization.

Fair Value

Fair Value Measurements

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Assets and liabilities carried at fair value inherently result in a higher degree of financial statement volatility. We estimate the fair value of a financial instrument using a variety of valuation methods. Where financial instruments are actively traded and have quoted market prices, quoted market prices are used for fair value. We characterize active markets as those where transaction volumes are sufficient to provide objective pricing information, with reasonably narrow bid/ask spreads, and where received quoted prices do not vary widely. When the financial instruments are not actively traded, other observable market inputs, such as quoted prices of securities with similar characteristics, may be used, if available, to determine fair value. Inactive markets are characterized by low transaction volumes, price quotations that vary substantially among market participants, or in which minimal information is released publicly. When observable market prices do not exist, we estimate fair value primarily by using cash flow and other financial modeling methods. Our valuation methods consider factors such as liquidity and concentration concerns and, for the derivatives portfolio, counterparty credit risk. Other factors such as model assumptions, market dislocations, and unexpected correlations can affect estimates of fair value. Changes in these underlying factors, assumptions, or estimates in any of these areas could materially impact the amount of revenue or loss recorded.

The FASB ASC Topic 820, Fair Value Measurements, establishes a framework for measuring the fair value of financial instruments that considers the attributes specific to particular assets or liabilities and establishes a three-level hierarchy for determining fair value based on the transparency of inputs to each valuation as of the fair value measurement date. The three levels are defined as follows:

- Level 1 – quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs include quoted prices for similar assets and liabilities in active markets, quoted prices of identical or similar assets or liabilities in markets that are not active, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs that are unobservable and significant to the fair value measurement. Financial instruments are considered Level 3 when values are determined using pricing models, discounted cash flow methodologies, or similar techniques, and at least one significant model assumption or input is unobservable.

At the end of each quarter, we assess the valuation hierarchy for each asset or liability measured. As necessary, assets or liabilities may be transferred within hierarchy levels due to changes in availability of observable market inputs at the measurement date. The fair values measured at each level of the fair value hierarchy, additional discussion regarding fair value measurements, and a brief description of how fair value is determined for categories that have unobservable inputs, can be found in Note 14 of the Notes to Unaudited Condensed Consolidated Financial Statements.

BUSINESS SEGMENT DISCUSSION

Overview

Our business segments are based on our internally-aligned segment leadership structure, which is how we monitor results and assess performance. We have five major business segments: Retail and Business Banking, Commercial Banking, Automobile Finance and Commercial Real Estate (AFCRE), Regional Banking and The Huntington Private Client Group (RBHPCG), and Home Lending. A Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

Business segment results are determined based upon our management reporting system, which assigns balance sheet and income statement items to each of the business segments. The process is designed around our organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions.

Revenue Sharing

Revenue is recorded in the business segment responsible for the related product or service. Fee sharing is recorded to allocate portions of such revenue to other business segments involved in selling to, or providing service to, customers. Results of operations for the business segments reflect these fee sharing allocations.

Expense Allocation

The management accounting process that develops the business segment reporting utilizes various estimates and allocation methodologies to measure the performance of the business segments. Expenses are allocated to business segments using a two-phase approach. The first phase consists of measuring and assigning unit costs (activity-based costs) to activities related to product origination and servicing. These activity-based costs are then extended, based on volumes, with the resulting amount allocated to business segments that own the related products. The second phase consists of the allocation of overhead costs to all five business segments from Treasury / Other. We utilize a full-allocation methodology, where all Treasury / Other expenses, except reported Significant Items, and a small amount of other residual unallocated expenses, are allocated to the five business segments.

Funds Transfer Pricing (FTP)

We use an active and centralized FTP methodology to attribute appropriate income to the business segments. The intent of the FTP methodology is to transfer interest rate risk from the business segments by providing matched duration funding of assets and liabilities. The result is to centralize the financial impact, management, and reporting of interest rate risk in the Treasury / Other function where it can be centrally monitored and managed. The Treasury / Other function charges (credits) an internal cost of funds for assets held in (or pays for funding provided by) each business segment. The FTP rate is based on prevailing market interest rates for comparable duration assets (or liabilities).

Net Income by Business Segment

The segregation of net income by business segment for the first six-month period of June 30, 2015 and June 30, 2014 is presented in the following table:

Table 31—Net Income (Loss) by Business Segment

	Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014
Retail and Business Banking	**$111,273**	$ 81,985
Commercial Banking	**102,681**	66,706
AFCRE	**84,698**	96,668
RBHPCG	**4,468**	14,899
Home Lending	**353**	(11,695)
Treasury/Other	**58,587**	65,199
Total net income	**$362,060**	$313,762

Treasury / Other

The Treasury / Other function includes revenue and expense related to assets, liabilities, and equity not directly assigned or allocated to one of the five business segments. Other assets include investment securities and bank owned life insurance. The financial impact associated with our FTP methodology, as described above, is also included.

Net interest income includes the impact of administering our investment securities portfolios and the net impact of derivatives used to hedge interest rate sensitivity. Noninterest income includes miscellaneous fee income not allocated to other business segments, such as bank owned life insurance income and any investment security and trading asset gains or losses. Noninterest expense includes certain corporate administrative, merger, and other miscellaneous expenses not allocated to other business segments. The provision for income taxes for the business segments is calculated at a statutory 35% tax rate, though our overall effective tax rate is lower. As a result, Treasury / Other reflects a credit for income taxes representing the difference between the lower actual effective tax rate and the statutory tax rate used to allocate income taxes to the business segments.

Optimal Customer Relationship (OCR)

Our OCR strategy is focused on building and deepening relationships with our customers through superior interactions, product penetration, and quality of service. We will deliver high-quality customer and prospect interactions through a fully integrated sales culture which will include all partners necessary to deliver a total Huntington solution. The quality of our relationships will lead to our ability to be the primary bank for our customers, yielding quality, annuitized revenue and profitable share of customers overall financial services. We believe our relationship oriented approach will drive a competitive advantage through our local market delivery channels.

CONSUMER OCR PERFORMANCE

For consumer OCR performance, there are three key performance metrics: (1) the number of checking account households, (2) the number of product penetration per consumer checking household, and (3) the revenue generated from the consumer households of all business segments.

The growth in consumer checking account number of households is a result of both new sales of checking accounts and improved retention of existing checking account households. The overall objective is to grow the number of households, along with an increase in product penetration.

We use the checking account as a measure since it typically represents the primary banking relationship product. We count additional services by type, not number, of services. For example, a household that has one checking account and one mortgage, we count as having two services. A household with four checking accounts, we count as having one service. The household relationship utilizing 6+ services is viewed to be more profitable and loyal. The overall objective, therefore, is to decrease the percentage of 1-5 services per consumer checking account household, while increasing the percentage of those with 6+ services.

The following table presents consumer checking account household OCR metrics:

Table 32—Consumer Checking Household OCR Cross-sell Report

	2015		2014		
	Second	**First**	Fourth	Third	Second
Number of households (1) (2)	**1,491,967**	**1,475,241**	1,454,402	1,453,584	1,391,406
Product Penetration by Number of Services (3)					
1 Service	**2.5%**	**2.8%**	2.8%	3.3%	3.0%
2-3 Services	**17.0**	**17.3**	17.9	18.4	18.4
4-5 Services	**29.5**	**29.7**	29.9	29.6	29.9
6+ Services	**51.0**	**50.2**	49.4	48.7	48.7
Total revenue *(in millions)*	**$ 279.8**	**$ 260.5**	$ 260.5	$ 260.0	$ 256.6

(1) Checking account required.
(2) On September 12, 2014, Huntington acquired 37,939 Bank of America households.
(3) The definitions and measurements used in our OCR process are periodically reviewed and updated prospectively.

Our emphasis on cross-sell, coupled with customers being attracted to the benefits offered through our "Fair Play" banking philosophy with programs such as 24-Hour Grace® on overdrafts and Asterisk-Free Checking™, are having a positive effect. The percent of consumer households with 6 or more product services at the end of the 2015 second quarter was 51.0%, up from 48.7% from the year-ago quarter due to increased product sales and services provided.

COMMERCIAL OCR PERFORMANCE

For commercial OCR performance, there are three key performance metrics: (1) the number of commercial relationships, (2) the number of services penetration per commercial relationship, and (3) the revenue generated. Commercial relationships include relationships from all business segments.

The growth in the number of commercial relationships is a result of both new sales of checking accounts and improved retention of existing commercial accounts. The overall objective is to grow the number of relationships, along with an increase in product service distribution.

The commercial relationship is defined as a business banking or commercial banking customer with a checking account relationship. We use this metric because we believe that the checking account anchors a business relationship and creates the opportunity to increase our cross-sell activity. Multiple sales of the same type of service are counted as one service, which is the same methodology described above for consumer.

The following table presents commercial relationship OCR metrics:

Table 33—Commercial Relationship OCR Cross-sell Report

	2015		2014		
	Second	**First**	Fourth	Third	Second
Commercial Relationships (1)	**168,088**	**166,710**	164,726	164,079	159,290
Product Penetration by Number of Services (2)					
1 Service	**14.3%**	**15.3%**	15.7%	16.6%	16.9%
2-3 Services	**42.3**	**42.0**	42.4	42.2	41.8
4+ Services	**43.4**	**42.7**	41.9	41.2	41.3
Total revenue *(in millions)*	**$ 222.0**	**$ 216.9**	$ 212.8	$ 213.1	$ 211.8

(1) Checking account required.
(2) The definitions and measurements used in our OCR process are periodically reviewed and updated prospectively.

By focusing on targeted relationships, we are able to achieve higher product service penetration among our commercial relationships and leverage these relationships to generate a deeper share of wallet. The percent of commercial relationships with 4 or more product services at the end of the 2015 second quarter was 43.4%, up from 41.3% from the year-ago quarter. Total commercial relationship revenue for the 2015 second quarter was $222.0 million, up $10.2 million, or 5%, from the year-ago quarter.

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Table 34—Average Loans/Leases and Deposits by Business Segment

(dollar amounts in millions)	Six Months Ended June 30, 2015						
	Retail and Business Banking	Commercial Banking	AFCRE	RBHPCG	Home Lending	Treasury / Other	TOTAL
Average Loans/Leases							
Commercial and industrial	**$ 3,980**	**$ 12,142**	**$ 2,597**	**$ 640**	**$ —**	**$ 110**	**$19,469**
Commercial real estate	**321**	**331**	**4,376**	**146**	**—**	**(1)**	**5,173**
Total commercial	**4,301**	**12,473**	**6,973**	**786**	**—**	**109**	**24,642**
Automobile	**—**	**—**	**8,431**	**—**	**—**	**—**	**8,431**
Home equity	**7,626**	**—**	**1**	**708**	**156**	**3**	**8,494**
Residential mortgage	**1,255**	**—**	**—**	**1,405**	**3,175**	**—**	**5,835**
Other consumer	**399**	**3**	**17**	**11**	**5**	**3**	**438**
Total consumer	**9,280**	**3**	**8,449**	**2,124**	**3,336**	**6**	**23,198**
Total loans and leases	**$ 13,581**	**$ 12,476**	**$15,422**	**$ 2,910**	**$3,336**	**$ 115**	**$47,840**
Average Deposits							
Demand deposits—noninterest-bearing	**$ 6,851**	**$ 5,386**	**$ 936**	**$ 1,742**	**$ 350**	**$ 310**	**$15,575**
Demand deposits—interest-bearing	**4,996**	**840**	**70**	**452**	**—**	**22**	**6,380**
Money market deposits	**10,236**	**4,138**	**250**	**4,451**	**—**	**9**	**19,084**
Savings and other domestic deposits	**5,072**	**65**	**6**	**76**	**3**	**(2)**	**5,220**
Core certificates of deposit	**2,682**	**8**	**1**	**33**	**—**	**2**	**2,726**
Total core deposits	**29,837**	**10,437**	**1,263**	**6,754**	**353**	**341**	**48,985**
Other deposits	**90**	**551**	**169**	**3**	**1**	**2,586**	**3,400**
Total deposits	**$ 29,927**	**$ 10,988**	**$ 1,432**	**$ 6,757**	**$ 354**	**$2,927**	**$52,385**

(dollar amounts in millions)	Six Months Ended June 30, 2014						
	Retail and Business Banking	Commercial Banking	AFCRE	RBHPCG	Home Lending	Treasury / Other	TOTAL
Average Loans/Leases							
Commercial and industrial	$ 3,606	$ 11,201	$ 2,441	$ 617	$ 1	$ 82	$17,948
Commercial real estate	363	301	4,096	215	—	(1)	4,974
Total commercial	3,969	11,502	6,537	832	1	81	22,922
Automobile	—	—	7,070	—	—	(1)	7,069
Home equity	7,466	2	1	733	165	(9)	8,358
Residential mortgage	1,147	—	—	1,285	3,062	—	5,494
Other consumer	350	3	32	12	17	(29)	385
Total consumer	8,963	5	7,103	2,030	3,244	(39)	21,306
Total loans and leases	$ 12,932	$ 11,507	$13,640	$ 2,862	$3,245	$ 42	$44,228
Average Deposits							
Demand deposits—noninterest-bearing	$ 5,850	$ 4,578	$ 707	$ 1,623	$ 277	$ 295	$13,330
Demand deposits—interest-bearing	4,719	745	67	316	—	13	5,860
Money market deposits	9,879	3,703	263	3,813	—	6	17,664
Savings and other domestic deposits	4,861	82	5	80	—	(1)	5,027
Core certificates of deposit	3,459	14	—	48	—	2	3,523
Total core deposits	28,768	9,122	1,042	5,880	277	315	45,404
Other deposits	105	833	85	3	—	1,496	2,522
Total deposits	$ 28,873	$ 9,955	$ 1,127	$ 5,883	$ 277	$1,811	$47,926

Retail and Business Banking

Table 35—Key Performance Indicators for Retail and Business Banking

	Six Months Ended June 30,		Change	
(dollar amounts in thousands unless otherwise noted)	**2015**	2014	Amount	Percent
Net interest income	**$505,571**	$448,184	$ 57,387	13%
Provision for credit losses	**26,553**	41,434	(14,881)	(36)
Noninterest income	**208,696**	200,495	8,201	4
Noninterest expense	**516,525**	481,114	35,411	7
Provision for income taxes	**59,916**	44,146	15,770	36
Net income	**$111,273**	$ 81,985	$ 29,288	36%
Number of employees (average full-time equivalent)	**5,244**	5,156	88	2%
Total average assets *(in millions)*	**$ 15,536**	$ 14,701	$ 835	6
Total average loans/leases *(in millions)*	**13,581**	12,932	649	5
Total average deposits *(in millions)*	**29,927**	28,873	1,054	4
Net interest margin	**3.48%**	3.17%	0.31%	10
NCOs	**$ 27,093**	$ 46,028	$(18,935)	(41)
NCOs as a % of average loans and leases	**0.40%**	0.71%	(0.31)%	(44)
Return on average common equity	**17.7**	12.2	5.5	45

2015 First Six Months vs. 2014 First Six Months

Retail and Business Banking reported net income of $111.3 million in the first six-month period of 2015. This was an increase of $29.3 million, or 36%, compared to the year-ago period. The increase in net income reflected a combination of factors described below.

The increase in net interest income from the year-ago period reflected:

- $0.6 billion, or 5%, increase in average total loans combined with an 11 basis point increase in loan spreads, primarily as a result of a reduction in the funds transfer price rates assigned to loans and improved effective rates.
- $1.1 billion, or 4%, increase in total average deposits combined with a 22 basis point increase in deposit spreads, primarily as a result of an increase in the funds transfer price rates assigned to deposits and lower effective rates.

The decrease in the provision for credit losses from the year-ago period reflected:

- $18.9 million, or 41%, decrease in NCOs, partially offset by enhancements made to the ACL estimation process.

The increase in total average loans and leases from the year-ago period reflected:

- $332 million, or 8%, increase in commercial loans, primarily due to the impact of core portfolio growth.
- $317 million, or 4%, increase in consumer loans, primarily due to growth in home equity lines of credit, credit card, and residential mortgages, as well as the impact of the Camco acquisition in the 2014 first quarter.

The increase in total average deposits from the year-ago period reflected:

- $876.4 million in combined deposit growth from the Camco acquisition in the 2014 first quarter and the Bank of America branch acquisition in the 2014 third quarter.
- $183.9 million deposit growth from our In-store branch network.

The increase in noninterest income from the year-ago period reflected:

- $7.5 million, or 15%, increase in electronic banking income, primarily due to higher debit card-related transaction volumes and an increase in the number of households.
- $4.2 million, or 68%, increase in mortgage banking income, primarily driven by increased referrals to Home Lending due to an improved mortgage refinance market in the first six months of 2015 compared to the same period in 2014.
- $2.9 million, or 40%, increase in gain on sale of loans, primarily due to increased SBA loan sale volumes.

Partially offset by:

- $5.7 million, or 5%, decrease in service charges on deposit accounts, primarily reflecting the decline from the late July 2014 implementation of changes in consumer fees and changing customer usage patterns, partially offset by an increase in consumer households.

The increase in noninterest expense from the year-ago period reflected:

- $16.9 million, or 8%, increase in other noninterest expense, primarily reflecting an increase in allocated overhead expense and additional expense related to the Bank of America branch and the Camco acquisitions.
- $11.1 million, or 8%, increase in personnel costs, primarily due to the Bank of America branch acquisition in the 2014 third quarter and the Camco acquisition in the 2014 first quarter. The increase also reflects additional cost from increased employee benefit expense and annual merit salary adjustments and incentives.
- $3.4 million, or 16%, increase in outside data processing and other services expense, mainly the result of transaction volumes associated with debit and credit card activity.
- $3.2 million, or 14%, increase in marketing, primarily due to direct mail campaigns.

Commercial Banking

Table 36—Key Performance Indicators for Commercial Banking

(dollar amounts in thousands unless otherwise noted)	Six Months Ended June 30, 2015	2014	Change Amount	Percent
Net interest income	**$169,331**	$147,923	$ 21,408	14%
Provision for credit losses	**3,807**	20,046	(16,239)	(81)
Noninterest income	**125,237**	100,621	24,616	24
Noninterest expense	**132,790**	125,873	6,917	5
Provision for income taxes	**55,290**	35,919	19,371	54
Net income	**$102,681**	$ 66,706	$ 35,975	54%
Number of employees (average full-time equivalent)	**1,097**	1,055	42	4%
Total average assets *(in millions)*	**$ 15,528**	$ 13,437	$ 2,091	16
Total average loans/leases *(in millions)*	**12,476**	11,507	969	8
Total average deposits *(in millions)*	**10,988**	9,955	1,033	10
Net interest margin	**2.60%**	2.58%	0.02%	1
NCOs	**$ 13,254**	$ 5,454	$ 7,800	143
NCOs as a % of average loans and leases	**0.21%**	0.09%	0.12%	133
Return on average common equity	**15.9**	9.6	6.3	66

2015 First Six Months vs. 2014 First Six Months

Commercial Banking reported net income of $102.7 million in the first six-month period of 2015. This was an increase of $36.0 million, or 54%, compared to the year-ago period. The increase in net income reflected a combination of factors described below.

The increase in net interest income from the year-ago period reflected:

- $1.0 billion, or 8%, increase in average loans/leases.
- $0.8 billion, or 115%, increase in average available-for-sale securities, primarily related to direct purchase municipal instruments.
- $1.0 billion, or 10%, increase in average total deposits.
- 2 basis point increase in the net interest margin, due to a 9 basis point increase in the mix and yield on earning assets, primarily related to the HTF acquisition, partially offset by a 4 basis point increase related to FTP, and further offset by a 3 basis point increase in the mix and yield on total deposits primarily related to growth in non-interest bearing balances.

The decrease in the provision for credit losses from the year-ago period reflected:

- Enhancements made to the ACL estimation process, partially offset by a $7.8 million, or 143%, increase in NCOs.

The increase in total average assets from the year-ago period reflected:

- $0.9 billion, or 25%, increase in the Asset Finance loan and bond financing portfolio, which primarily reflected our focus on developing vertical strategies in public capital, business aircraft, rail industry, lender finance, and syndications, as well as the late 2015 first quarter acquisition of HTF.
- $0.5 billion, or 18%, increase in the specialty verticals loan and bond financing portfolio, driven primarily by $0.5 billion, or 89%, increase in the international loan portfolio consisting of discounted bankers acceptances and foreign insured receivables, and $0.1 billion, or 8%, increase in the Healthcare loan and bond financing portfolio due to a strategic focus on the banking needs of the healthcare industry, specifically targeting alternate site real estate, seniors' real estate, medical technology, community hospitals, metro hospitals, and health care services.
- $0.3 billion, or 17%, increase in the Corporate Banking and Energy loan portfolio due to establishing relationships with targeted prospects within our footprint.

The increase in total average deposits from the year-ago period reflected:

- $1.3 billion, or 14%, increase in core deposits, which primarily reflected a $0.8 billion, or 18%, increase in noninterest-bearing demand deposits. Middle market accounts, such as not-for-profit universities and healthcare, contributed $0.9 billion of the overall balance growth, while large corporate accounts contributed $0.4 billion.

Partially offset by:

- $0.3 billion, or 34%, decrease in non-core deposits.

The increase in noninterest income from the year-ago period reflected:

- $14.5 million, or 282%, increase in equipment finance related fee income, primarily reflecting the late 2015 first quarter acquisition of HTF.
- $4.3 million, or 23%, increase in capital market fees, primarily reflecting a $1.9 million, or 43%, increase in foreign exchange revenue, $1.5 million, or 359%, increase in commodities revenue, and a $1.0 million, or 13%, increase in institutional brokerage revenue, partially offset by a $0.2 million, or 3%, decrease in customer interest rate derivatives.
- $2.3 million, or 16%, increase in commitment and other loan related fees, primarily reflecting fee income acceleration on closed lines of credit.
- $2.3 million, or 9%, increase in service charges on deposit accounts and other treasury management related revenue, primarily due to a new commercial card product implemented in late 2013, growth in merchant services revenue, and strong core cash management growth.

The increase in noninterest expense from the year-ago period reflected:

- $9.3 million, or 13%, increase in personnel expense, primarily reflecting the 2015 first quarter acquisition of HTF. The increase also reflects additional cost from annual merit salary adjustments and incentives.
- $5.0 million, or 589%, increase in operating lease expense primarily related to the 2015 first quarter acquisition of HTF.

Partially offset by:

- $8.5 million, or 40%, decrease in allocated overhead expense.

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Automobile Finance and Commercial Real Estate

Table 37—Key Performance Indicators for Automobile Finance and Commercial Real Estate

(dollar amounts in thousands unless otherwise noted)	Six Months Ended June 30,		Change	
	2015	2014	Amount	Percent
Net interest income	**$190,204**	$185,884	$ 4,320	2%
Provision (reduction in allowance) for credit losses	**2,115**	(26,149)	(28,264)	N.R.
Noninterest income	**16,249**	13,540	2,709	20
Noninterest expense	**74,033**	76,853	(2,820)	(4)
Provision for income taxes	**45,607**	52,052	(6,445)	(12)
Net income	**$ 84,698**	$ 96,668	$(11,970)	(12)%
Number of employees (average full-time equivalent)	**293**	269	24	9%
Total average assets *(in millions)*	**$ 16,679**	$ 13,971	$ 2,708	19
Total average loans/leases *(in millions)*	**15,422**	13,640	1,782	13
Total average deposits *(in millions)*	**1,432**	1,127	305	27
Net interest margin	**2.38%**	2.69%	(0.31)%	(12)
NCOs	**$ 3,017**	$ 4,627	$ (1,610)	(35)
NCOs as a % of average loans and leases	**0.04%**	0.07%	(0.03)%	(43)
Return on average common equity	**25.0**	32.3	(7.3)	(23)

N.R.—Not relevant.

2015 First Six Months vs. 2014 First Six Months

AFCRE reported net income of $84.7 million in the first six-month period of 2015. This was a decrease of $12.0 million, or 12%, compared to the year-ago period. The decrease in net income reflected a combination of factors described below.

The increase in net interest income from the year-ago period reflected:

- $1.4 billion, or 19%, increase in average automobile loans, primarily due to continued strong origination volume, which has exceeded $1.0 billion for each of the last 6 quarters. This increase was partially offset by the movement of $1 billion of automobile loans to held for sale at the end of the 2015 first quarter in anticipation of an auto loan securitization that was completed in June 2015.

Partially offset by:

- 31 basis point decrease in the net interest margin, primarily due to a 29 basis point reduction in loan spreads. This decline continues to reflect the impact of competitive pricing pressures. Also, the prior year results included a $5.1 million, or 7 basis points, recovery from the unexpected pay-off of an acquired commercial real estate loan.

The decrease in the reduction in allowance for credit losses from the year-ago period reflected:

- Less improvement in credit quality than what was experienced in the year-ago period, enhancements made to the ACL estimation process, partially offset by lower NCOs.

The increase in noninterest income from the year-ago period reflected:

- $5.3 million increase in gain on sale of loans, primarily due to the $0.8 billion automobile loan securitization and sale completed in the 2015 second quarter.

Partially offset by:

- $2.4 million, or 21%, decrease in other income, primarily due to lower market related gains associated with certain loans and investments.

The decrease in noninterest expense from the year-ago period reflected:

- $4.9 million, or 9%, decrease in other noninterest expense, primarily due to a decrease in allocated expenses.

Partially offset by:

- $1.8 million, or 13%, increase in personnel costs, primarily due to a higher number of employees, resulting from community development activities.

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Regional Banking and The Huntington Private Client Group

Table 38—Key Performance Indicators for Regional Banking and The Huntington Private Client Group

	Six Months Ended June 30,		Change	
(dollar amounts in thousands unless otherwise noted)	**2015**	2014	Amount	Percent
Net interest income	**$ 54,575**	$ 51,160	$ 3,415	7%
Provision for credit losses	**4,241**	2,174	2,067	95
Noninterest income	**78,388**	89,984	(11,596)	(13)
Noninterest expense	**121,848**	116,048	5,800	5
Provision for income taxes	**2,406**	8,023	(5,617)	(70)
Net income	**$ 4,468**	$ 14,899	$(10,431)	(70)%
Number of employees (average full-time equivalent)	**963**	1,055	(92)	(9)%
Total average assets *(in millions)*	**$ 3,361**	$ 3,779	$ (418)	(11)
Total average loans/leases *(in millions)*	**2,910**	2,862	48	2
Total average deposits *(in millions)*	**6,757**	5,883	874	15
Net interest margin	**1.65%**	1.82%	(0.17)%	(9)
NCOs	**$ 4,028**	$ 4,993	$ (965)	(19)
NCOs as a % of average loans and leases	**0.28%**	0.35%	(0.07)%	(20)
Return on average common equity	**2.8**	6.0	(3.2)	(53)
Total assets under management *(in billions)—eop*	**$ 14.1**	$ 16.8	$ (2.7)	(16)
Total trust assets *(in billions)—eop*	**81.1**	81.1	—	—

eop - End of Period.

2015 First Six Months vs. 2014 First Six Months

RBHPCG reported net income of $4.5 million in the first six-month period of 2015. This was a decrease of $10.4 million, or 70%, compared to the year-ago period. The decrease in net income reflected a combination of factors described below.

The increase in net interest income from the year-ago period reflected:

- $0.9 billion, or 15%, increase in average total deposits, primarily due to growth in commercial money market deposits.

The increase in the provision for credit losses from the year-ago period reflected:

- Enhancements made to the ACL process, partially offset by a $1.0 million, or 19%, decrease in NCOs.

The decrease in noninterest income from the year-ago period reflected:

- $4.8 million, or 75%, decrease in other income, primarily related to the decrease in community lending activities, which corresponds to the transfer of Huntington Community Development to the AFCRE segment retroactive to the beginning of 2015.
- $3.7 million, or 6%, decrease in trust services income, primarily related to our fiduciary trust businesses moving to a more open architecture platform and a decline in assets under management in proprietary mutual funds following the 2014 second quarter transition of the fixed income Huntington Funds to a third party.
- $2.6 million, or 13%, decrease in brokerage income, primarily reflecting a shift from upfront commission income to trail options and an increase in the sale of new open architecture advisory products.

The increase in noninterest expense from the year-ago period reflected:

- $13.7 million, or 53%, increase in other noninterest expense, primarily due to increased allocated product costs, losses and proprietary mutual fund expense reimbursements.

Partially offset by:

- $3.4 million, or 5%, decrease in personnel costs, primarily due to movement of certain trust colleagues to corporate operations. See related increase in allocated expenses above.
- $2.4 million, or 57%, decrease in professional services, primarily due to reduction in consulting expense.
- $1.5 million, or 16%, decrease in outside data processing and other services, primarily due to movement of trust system expenses to corporate operations. See related increase in allocated expenses above.

Home Lending

Table 39—Key Performance Indicators for Home Lending

(dollar amounts in thousands unless otherwise noted)	Six Months Ended June 30, 2015	2014	Change Amount	Percent
Net interest income	**$31,630**	$ 27,377	$ 4,253	16%
Provision for credit losses	**4,294**	16,510	(12,216)	(74)
Noninterest income	**50,634**	39,107	11,527	29
Noninterest expense	**77,427**	67,966	9,461	14
Provision for income taxes	**190**	(6,297)	6,487	N.R.
Net income (loss)	**$ 353**	$(11,695)	$ 12,048	N.R.
Number of employees (average full-time equivalent)	**949**	990	(41)	(4)%
Total average assets *(in millions)*	**$ 3,931**	$ 3,742	$ 189	5
Total average loans/leases *(in millions)*	**3,336**	3,245	91	3
Total average deposits *(in millions)*	**354**	277	77	28
Net interest margin	**1.70%**	1.57%	0.13%	8
NCOs	**$ 2,415**	$ 10,526	$ (8,111)	(77)
NCOs as a % of average loans and leases	**0.14%**	0.65%	(0.51)%	(78)
Return on average common equity	**0.4**	(13.5)	13.9	N.R.
Mortgage banking origination volume (in millions)	**$ 2,435**	$ 1,639	$ 796	49

N.R.—Not relevant.

2015 First Six Months vs. 2014 First Six Months

Home Lending reported net income of $0.4 million in the first six-month period of 2015 compared to a net loss of $11.7 million in the year-ago period. Home Lending supports the origination and servicing of mortgage loans across all segments. The results reflected a combination of factors described below.

The increase in net interest income from the year-ago period reflected:

- 13 basis point increase in the net interest margin, primarily due an increase in loan spreads on consumer loans driven by lower funding costs.
- $0.1 billion, or 3%, increase in average loans.

The decrease in provision for credit losses reflected:

- An $8.1 million, or 77%, decrease in NCOs.

The increase in noninterest income from the year-ago period reflected:

- $11.1 million, or 30%, increase in mortgage banking income, primarily related to an increase in origination and secondary marketing revenues.

The increase in noninterest expense from the year-ago period reflected:

- $6.5 million, or 16%, increase in personnel costs, primarily due to commission expense related to higher origination volume.
- $2.9 million, or 22%, increase in other noninterest expense, primarily due to higher allocated expenses related to volumes.

ADDITIONAL DISCLOSURES

Forward-Looking Statements

This report, including MD&A, contains certain forward-looking statements, including certain plans, expectations, goals, projections, and statements, which are subject to numerous assumptions, risks, and uncertainties. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. Forward-looking statements may be identified by words such as expect, anticipate, believe, intend, estimate, plan, target, goal, or similar expressions, or future or conditional verbs such as will, may, might, should, would, could, or similar variations. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995.

While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ materially from those contained or implied in the forward-looking statements: (1) worsening of credit quality performance due to a number of factors such as the underlying value of collateral that could prove less valuable than otherwise assumed and assumed cash flows may be worse than expected, (2) changes in general economic, political, or industry conditions, uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Federal Reserve Board, volatility and disruptions in global capital and credit markets, (3) movements in interest rates, (4) competitive pressures on product pricing and services, (5) success, impact, and timing of our business strategies, including market acceptance of any new products or services implementing our “Fair Play” banking philosophy, (6) changes in accounting policies and principles and the accuracy of our assumptions and estimates used to prepare our financial statements, (7) extended disruption of vital infrastructure, (8) the final outcome of significant litigation, (9) the nature, extent, timing, and results of governmental actions, examinations, reviews, reforms, regulations, and interpretations, including those related to the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III regulatory capital reforms, as well as those involving the OCC, Federal Reserve, FDIC, and CFPB, and (10) the outcome of judicial and regulatory decisions regarding practices in the residential mortgage industry, including among other things the processes followed for foreclosing residential mortgages. Additional factors that could cause results to differ materially from those described above can be found in our 2014 Annual Report on Form 10-K and documents subsequently filed by us with the Securities and Exchange Commission.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. We assume no obligation to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements were made or to reflect the occurrence of unanticipated events except as required by federal securities laws. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

Non-Regulatory Capital Ratios

In addition to capital ratios defined by banking regulators, the Company considers various other measures when evaluating capital utilization and adequacy, including:

- Tangible common equity to tangible assets,
- Tier 1 common equity to risk-weighted assets using Basel I definitions, and
- Tangible common equity to risk-weighted assets using Basel I and Basel III definitions.

These non-regulatory capital ratios are viewed by management as useful additional methods of reflecting the level of capital available to withstand unexpected market conditions. Additionally, presentation of these ratios allows readers to compare the Company’s capitalization to other financial services companies. These ratios differ from capital ratios defined by banking regulators principally in that the numerator excludes preferred securities, the nature and extent of which varies among different financial services companies. These ratios are not defined in Generally Accepted Accounting Principles (“GAAP”) or federal banking regulations. As a result, these non-regulatory capital ratios disclosed by the Company are considered non-GAAP financial measures.

Because there are no standardized definitions for these non-regulatory capital ratios, the Company’s calculation methods may differ from those used by other financial services companies. Also, there may be limits in the usefulness of these measures to investors. As a result, the Company encourages readers to consider the consolidated financial statements and other financial information contained in this Form 10-Q in their entirety, and not to rely on any single financial measure.

Risk Factors

Information on risk is discussed in the Risk Factors section included in Item 1A of our 2014 Form 10-K. Additional information regarding risk factors can also be found in the Risk Management and Capital discussion of this report.

Critical Accounting Policies and Use of Significant Estimates

Our financial statements are prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires us to establish critical accounting policies and make accounting estimates, assumptions, and judgments that affect amounts recorded and reported in our financial statements. Note 1 of Notes to Consolidated Financial Statements included in our December 31, 2014 Form 10-K, as supplemented by this report, lists significant accounting policies we use in the development and presentation of our financial statements. This MD&A, the significant accounting policies, and other financial statement disclosures identify and address key variables and other qualitative and quantitative factors necessary for an understanding and evaluation of our company, financial position, results of operations, and cash flows.

An accounting estimate requires assumptions about uncertain matters that could have a material effect on the financial statements if a different amount within a range of estimates were used or if estimates changed from period to period. Estimates are made under facts and circumstances at a point in time, and changes in those facts and circumstances could produce results that significantly differ from when those estimates were made.

Our most significant accounting estimates relate to our ACL, income taxes and deferred tax assets, and fair value measurements of investment securities, goodwill, pension, and other real estate owned. These significant accounting estimates and their related application are discussed in our December 31, 2014 Form 10-K.

Recent Accounting Pronouncements and Developments

Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements discusses new accounting pronouncements adopted during 2015 and the expected impact of accounting pronouncements recently issued but not yet required to be adopted. To the extent the adoption of new accounting standards materially affect financial condition, results of operations, or liquidity, the impacts are discussed in the applicable section of this MD&A and the Notes to Unaudited Condensed Consolidated Financial Statements.

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Item 1: Financial Statements

Huntington Bancshares Incorporated
Condensed Consolidated Balance Sheets
(Unaudited)

(dollar amounts in thousands, except number of shares)	2015 June 30,	2014 December 31,
Assets		
Cash and due from banks	**$ 1,379,969**	$ 1,220,565
Interest-bearing deposits in banks	**71,409**	64,559
Trading account securities	**59,146**	42,191
Loans held for sale (includes $453,489 and $354,888 respectively, measured at fair value)(1)	**548,054**	416,327
Available-for-sale and other securities	**10,254,871**	9,384,670
Held-to-maturity securities	**3,304,160**	3,379,905
Loans and leases (includes $38,995 and $50,617 respectively, measured at fair value)(1)	**48,752,301**	47,655,726
Allowance for loan and lease losses	**(599,542)**	(605,196)
Net loans and leases	**48,152,759**	47,050,530
Bank owned life insurance	**1,735,627**	1,718,436
Premises and equipment	**615,436**	616,407
Goodwill	**678,369**	522,541
Other intangible assets	**62,705**	74,671
Accrued income and other assets	**1,983,143**	1,807,208
Total assets	**$ 68,845,648**	$ 66,298,010
Liabilities and shareholders' equity		
Liabilities		
Deposits	**$ 53,473,179**	$ 51,732,151
Short-term borrowings	**1,511,444**	2,397,101
Long-term debt	**5,854,584**	4,335,962
Accrued expenses and other liabilities	**1,510,183**	1,504,626
Total liabilities	**62,349,390**	59,969,840
Shareholders' equity		
Preferred stock—authorized 6,617,808 shares:		
Series A, 8.50% fixed rate, non-cumulative perpetual convertible preferred stock, par value of $0.01, and liquidation value per share of $1,000	**362,507**	362,507
Series B, floating rate, non-voting, non-cumulative perpetual preferred stock, par value of $0.01, and liquidation value per share of $1,000	**23,785**	23,785
Common stock	**8,050**	8,131
Capital surplus	**7,109,493**	7,221,745
Less treasury shares, at cost	**(17,043)**	(13,382)
Accumulated other comprehensive loss	**(185,650)**	(222,292)
Retained (deficit) earnings	**(804,884)**	(1,052,324)
Total shareholders' equity	**6,496,258**	6,328,170
Total liabilities and shareholders' equity	**$ 68,845,648**	$ 66,298,010
Common shares authorized (par value of $0.01)	**1,500,000,000**	1,500,000,000
Common shares issued	**805,035,698**	813,136,321
Common shares outstanding	**803,065,757**	811,454,676
Treasury shares outstanding	**1,969,941**	1,681,645
Preferred shares issued	**1,967,071**	1,967,071
Preferred shares outstanding	**398,007**	398,007

(1) Amounts represent loans for which Huntington has elected the fair value option.

See Notes to Unaudited Condensed Consolidated Financial Statements

Huntington Bancshares Incorporated
Condensed Consolidated Statements of Income
(Unaudited)

(dollar amounts in thousands, except per share amounts)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Interest and fee income:				
Loans and leases	**$436,564**	$420,938	**$ 857,177**	$823,446
Available-for-sale and other securities				
Taxable	**51,525**	42,028	**99,381**	80,484
Tax-exempt	**10,319**	6,605	**19,605**	12,089
Held-to-maturity securities—taxable	**20,742**	22,614	**41,408**	45,934
Other	**10,645**	3,137	**14,320**	5,824
Total interest income	**529,795**	495,322	**1,031,891**	967,777
Interest expense:				
Deposits	**19,865**	21,846	**39,433**	45,784
Short-term borrowings	**731**	720	**1,273**	1,243
Federal Home Loan Bank advances	**71**	172	**447**	252
Subordinated notes and other long-term debt	**18,442**	12,536	**32,367**	22,944
Total interest expense	**39,109**	35,274	**73,520**	70,223
Net interest income	**490,686**	460,048	**958,371**	897,554
Provision for credit losses	**20,419**	29,385	**41,010**	54,015
Net interest income after provision for credit losses	**470,267**	430,663	**917,361**	843,539
Service charges on deposit accounts	**70,118**	72,633	**132,338**	137,215
Trust services	**26,550**	29,581	**55,589**	59,146
Electronic banking	**30,259**	26,491	**57,657**	50,133
Mortgage banking income	**38,518**	22,717	**61,479**	45,807
Brokerage income	**15,184**	17,905	**30,684**	35,072
Insurance income	**17,637**	15,996	**33,532**	32,492
Bank owned life insurance income	**13,215**	13,865	**26,240**	27,172
Capital markets fees	**13,192**	10,500	**27,097**	19,694
Gain on sale of loans	**12,453**	3,914	**17,042**	7,484
Net gains on sales of securities	**82**	490	**82**	17,460
Other noninterest income	**44,565**	35,975	**71,656**	66,877
Total noninterest income	**281,773**	250,067	**513,396**	498,552
Personnel costs	**282,135**	260,600	**547,051**	510,077
Outside data processing and other services	**58,508**	54,338	**109,043**	105,828
Net occupancy	**28,861**	28,673	**59,881**	62,106
Equipment	**31,694**	28,749	**61,943**	57,499
Professional services	**12,593**	17,896	**25,320**	30,127
Marketing	**15,024**	14,832	**27,999**	25,518
Deposit and other insurance expense	**11,787**	10,599	**21,954**	24,317
Amortization of intangibles	**9,960**	9,520	**20,166**	18,811
Other noninterest expense	**41,215**	33,429	**77,277**	84,474
Total noninterest expense	**491,777**	458,636	**950,634**	918,757
Income before income taxes	**260,263**	222,094	**480,123**	423,334
Provision for income taxes	**64,057**	57,475	**118,063**	109,572
Net income	**196,206**	164,619	**362,060**	313,762
Dividends on preferred shares	**7,968**	7,963	**15,933**	15,927
Net income applicable to common shares	**$188,238**	$156,656	**$ 346,127**	$297,835
Average common shares—basic	**806,891**	821,546	**808,335**	825,603
Average common shares—diluted	**820,238**	834,687	**822,023**	838,546
Per common share:				
Net income—basic	**$ 0.23**	$ 0.19	**$ 0.43**	$ 0.36
Net income—diluted	**0.23**	0.19	**0.42**	0.36
Cash dividends declared	**0.06**	0.05	**0.12**	0.10
OTTI losses for the periods presented:				
Total OTTI losses	**$ —**	$ —	**$ —**	$ —
Noncredit-related portion of loss recognized in OCI	**—**	—	**—**	—
Impairment losses recognized in earnings on available-for-sale securities	**$ —**	$ —	**$ —**	$ —

See Notes to Unaudited Condensed Consolidated Financial Statements

Huntington Bancshares Incorporated
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(dollar amounts in thousands)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Net income	**$196,206**	$164,619	**$362,060**	$313,762
Other comprehensive income, net of tax:				
Unrealized gains on available-for-sale and other securities:				
Non-credit-related impairment recoveries on debt securities not expected to be sold	**8,720**	809	**12,110**	5,598
Unrealized net gains (losses) on available-for-sale and other securities arising during the period, net of reclassification for net realized gains	**(33,812)**	23,448	**5,140**	30,401
Total unrealized gains (losses) on available-for-sale and other securities	**(25,092)**	24,257	**17,250**	35,999
Unrealized gains (losses) on cash flow hedging derivatives	**(629)**	17,186	**17,586**	17,129
Change in accumulated unrealized losses for pension and other post-retirement obligations	**903**	577	**1,806**	1,154
Other comprehensive income (loss), net of tax	**(24,818)**	42,020	**36,642**	54,282
Comprehensive income	**$171,388**	$206,639	**$398,702**	$368,044

See Notes to Unaudited Condensed Consolidated Financial Statements

Huntington Bancshares Incorporated
Condensed Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)

(All amounts in thousands, except for per share amounts)	Preferred Stock Series A Shares	Preferred Stock Series A Amount	Preferred Stock Series B Floating Rate Shares	Preferred Stock Series B Floating Rate Amount	Common Stock Shares	Common Stock Amount	Capital Surplus	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Total
Six Months Ended June 30, 2014												
Balance, beginning of period	363	$362,507	35	$23,785	832,217	$ 8,322	$7,398,515	(1,331)	$ (9,643)	$ (214,009)	$(1,479,324)	$6,090,153
Net income											313,762	313,762
Other comprehensive income (loss)										54,282		54,282
Shares issued pursuant to acquisition					8,670	87	91,577					91,664
Shares issued to HIP					276	3	2,594					2,597
Repurchase of common stock					(26,666)	(267)	(246,722)					(246,989)
Cash dividends declared:												
Common ($0.10 per share)											(82,245)	(82,245)
Preferred Series A ($42.50 per share)											(15,407)	(15,407)
Preferred Series B ($14.68 per share)											(521)	(521)
Recognition of the fair value of share-based compensation							22,792					22,792
Other share-based compensation activity					2,942	29	8,700				(350)	8,379
Other					809	8	1,788	85	572		(44)	2,324
Balance, end of period	363	$362,507	35	$23,785	818,248	$ 8,182	$7,279,244	(1,246)	$ (9,071)	$ (159,727)	$(1,264,129)	$6,240,791
Six Months Ended June 30, 2015												
Balance, beginning of period	**363**	**$362,507**	**35**	**$23,785**	**813,136**	**$ 8,131**	**$7,221,745**	**(1,682)**	**$(13,382)**	**$ (222,292)**	**$(1,052,324)**	**$6,328,170**
Net income											**362,060**	**362,060**
Other comprehensive income (loss)										**36,642**		**36,642**
Repurchases of common stock					**(13,783)**	**(138)**	**(150,709)**					**(150,847)**
Cash dividends declared:												
Common ($0.12 per share)											**(96,732)**	**(96,732)**
Preferred Series A ($42.50 per share)											**(15,407)**	**(15,407)**
Preferred Series B ($14.85 per share)											**(526)**	**(526)**
Recognition of the fair value of share-based compensation							**25,573**					**25,573**
Other share-based compensation activity					**5,642**	**57**	**12,227**				**(1,935)**	**10,349**
Other					**41**	**—**	**657**	**(288)**	**(3,661)**		**(20)**	**(3,024)**
Balance, end of period	**363**	**$362,507**	**35**	**$23,785**	**805,036**	**$ 8,050**	**$7,109,493**	**(1,970)**	**$(17,043)**	**$ (185,650)**	**$ (804,884)**	**$6,496,258**

See Notes to Unaudited Condensed Consolidated Financial Statements

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Huntington Bancshares Incorporated
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(dollar amounts in thousands)	Six Months Ended June 30, 2015	2014
Operating activities		
Net income	**$ 362,060**	$ 313,762
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of goodwill	**—**	3,000
Provision for credit losses	**41,010**	54,015
Depreciation and amortization	**167,957**	152,867
Share-based compensation expense	**25,573**	22,792
Originations of loans held for sale	**(1,890,432)**	(1,087,825)
Principal payments on and proceeds from loans held for sale	**1,677,454**	1,071,980
Gain on sale of loans held for sale	**(17,424)**	(12,209)
Net gain on sales of securities	**(82)**	(17,460)
Net change in:		
Trading account securities	**(16,955)**	(14,968)
Accrued income and other assets	**(175,467)**	(108,154)
Deferred income taxes	**24,138**	(10,280)
Accrued expense and other liabilities	**(84,512)**	15,079
Other, net	**(27,225)**	—
Net cash provided by (used for) operating activities	**86,095**	382,599
Investing activities		
Change in interest bearing deposits in banks	**(6,850)**	(12,591)
Cash paid for acquisition of a business, net of cash received	**(457,836)**	(13,452)
Proceeds from:		
Maturities and calls of available-for-sale and other securities	**916,486**	498,227
Maturities of held-to-maturity securities	**288,706**	212,679
Sales of available-for-sale and other securities	**20,126**	1,070,305
Purchases of available-for-sale and other securities	**(1,798,749)**	(2,603,602)
Purchases of held-to-maturity securities	**(215,447)**	—
Net proceeds from securitization	**780,117**	—
Net proceeds from sales of loans	**203,058**	132,074
Net loan and lease activity, excluding sales and purchases	**(1,172,432)**	(2,422,729)
Proceeds from sale of operating lease assets	**—**	377
Purchases of premises and equipment	**(43,093)**	(22,595)
Proceeds from sales of other real estate	**21,025**	17,326
Purchases of loans and leases	**(58,341)**	(205,603)
Purchase of customer list	**—**	(223)
Other, net	**1,327**	2,552
Net cash provided by (used for) investing activities	**(1,521,903)**	(3,347,255)
Financing activities		
Increase (decrease) in deposits	**1,821,169**	685,180
Increase (decrease) in short-term borrowings	**(888,979)**	1,278,468
Sale of deposits	**(47,521)**	—
Proceeds from issuance of long-term debt	**1,746,938**	1,750,000
Maturity/redemption of long-term debt	**(789,408)**	(198,772)
Dividends paid on preferred stock	**(15,933)**	(15,929)
Dividends paid on common stock	**(97,310)**	(82,584)
Repurchases of common stock	**(150,847)**	(246,989)
Proceeds from stock options exercised	**6,517**	9,600
Net proceeds from issuance of common stock	**—**	2,597
Other, net	**10,586**	406
Net cash provided by (used for) financing activities	**1,595,212**	3,181,977
Increase (decrease) in cash and cash equivalents	**159,404**	217,321
Cash and cash equivalents at beginning of period	**1,220,565**	1,001,132
Cash and cash equivalents at end of period	**$ 1,379,969**	$ 1,218,453

Supplemental disclosures:		
Income taxes paid (refunded)	**$ 87,986**	$57,750
Interest paid	**67,381**	69,677
Non-cash activities		
Loans transferred to held-for-sale from portfolio	**111,588**	18,168
Loans transferred to portfolio from held-for-sale	**15,726**	45,240
Transfer of loans to OREO	**13,028**	—
Dividends accrued, paid in subsequent quarter	**56,589**	46,645

See Notes to Unaudited Condensed Consolidated Financial Statements.

Huntington Bancshares Incorporated
Notes to Unaudited Condensed Consolidated Financial Statements

1. BASIS OF PRESENTATION

The accompanying Unaudited Condensed Consolidated Financial Statements of Huntington reflect all adjustments consisting of normal recurring accruals which are, in the opinion of Management, necessary for a fair presentation of the consolidated financial position, the results of operations, and cash flows for the periods presented. The year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by GAAP. These Unaudited Condensed Consolidated Financial Statements have been prepared according to the rules and regulations of the SEC and, therefore, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been omitted. The Notes to Consolidated Financial Statements appearing in Huntington's 2014 Form 10-K, which include descriptions of significant accounting policies, as updated by the information contained in this report, should be read in conjunction with these interim financial statements.

For statement of cash flows purposes, cash and cash equivalents are defined as the sum of "Cash and due from banks" which includes amounts on deposit with the Federal Reserve and "Federal funds sold and securities purchased under resale agreements."

In conjunction with applicable accounting standards, all material subsequent events have been either recognized in the Unaudited Condensed Consolidated Financial Statements or disclosed in the Notes to Unaudited Condensed Consolidated Financial Statements.

2. ACCOUNTING STANDARDS UPDATE

ASU 2014-04—Receivables (Topic 310): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure. The ASU clarifies that an in substance repossession or foreclosure occurs upon either the creditor obtaining legal title to the residential real estate property or the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. The amendments were effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. The amendment did not have a material impact on Huntington's Unaudited Condensed Consolidated Financial Statements.

ASU 2014-09—Revenue from Contracts with Customers (Topic 606): The amendments in ASU 2014-09 supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. The general principle of the amendments require an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance sets forth a five step approach to be utilized for revenue recognition. The amendments were originally effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Subsequently, the FASB issued a one-year deferral for implementation, which results in new guidance being effective for annual and interim reporting periods beginning after December 15, 2017. The FASB, however, permitted adoption of the new guidance on the original effective date. Management is currently assessing the impact on Huntington's Consolidated Financial Statements.

ASU 2014-11—Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures. The amendments in the ASU require repurchase-to-maturity transactions to be recorded and accounted for as secured borrowings. Amendments to Topic 860 also require separate accounting for a transfer of a financial asset executed contemporaneously with a repurchase agreement with the same counterparty (i.e., a repurchase financing), which will result in secured borrowing accounting for the repurchase agreement, as well as additional required disclosures. The accounting amendments and disclosures are effective for interim and annual periods beginning after December 15, 2014. The disclosures for repurchase agreements, securities lending transactions, and repurchase-to-maturity transactions accounted for as secured borrowings are required to be presented for annual periods beginning after December 15, 2014, and for interim periods beginning after March 15, 2015. The amendments did not have a material impact on Huntington's Unaudited Condensed Consolidated Financial Statements.

ASU 2014-12—Compensation—Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The amendments require that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. Specifically, if the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The amendments are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Management is currently assessing the impact on Huntington's Consolidated Financial Statements.

ASU 2014-14—Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40): Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure. The amendments require a mortgage loan to be derecognized and a separate receivable to be recognized upon foreclosure if the loan has a government guarantee that is non-separable from the loan before foreclosure, the creditor has the ability and intent to convey the real estate property to the guarantor, and any amount of the claim that is determined on the basis of the fair value of the real estate is fixed. Additionally, the separate other receivable should be measured based on the amount of the loan balance (principal and interest) expected to be recovered from the guarantor upon foreclosure. The amendments were effective for annual periods and interim periods within those annual periods beginning after December 15, 2014. The amendments did not have a material impact on Huntington's Unaudited Condensed Consolidated Financial Statements.

ASU 2015-02—Consolidation (Topic 810)—Amendments to the Consolidation Analysis. The amendment applies to entities in all industries and provides a new scope exception for registered money market funds and similar unregistered money market funds. It also makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the variable interest entity accounting guidance. The amendments are effective for annual periods beginning after December 15, 2015. Management is currently assessing the impact on Huntington's Consolidated Financial Statements.

ASU 2015-03—Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs. This ASU was issued to simplify presentation of debt issuance costs. The amendments in this ASU require debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. The amendments are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The amendment is not expected to have a material impact on Huntington's Consolidated Financial Statements.

ASU 2015-10—Technical Corrections and Improvements. The technical corrections and improvements included in the ASU are issued in June 2015 with an objective to clarify the Accounting Standards Codification ("Codification"), correct unintended application of guidance, or make minor improvements to the Codification that are minor in nature. One of the corrections is related to disclosure of fair value for non-recurring items. The ASU requires disclosure of fair value for non-recurring items at the relevant measurement date where the fair value is not measured at the end of the reporting period. Also, for nonrecurring measurements estimated at a date during the reporting period other than the end of the reporting period, a reporting entity shall clearly indicate that the fair value information presented is not as of the period's end as well as the date or period that the measurement was taken. The technical correction is effective upon issuance. The correction in the ASU does not have a significant impact on Huntington's Unaudited Condensed Consolidated Financial Statements.

3. LOANS / LEASES AND ALLOWANCE FOR CREDIT LOSSES

Loans and leases for which Huntington has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are classified in the Unaudited Condensed Consolidated Balance Sheets as loans and leases. Except for loans which are accounted for at fair value, loans and leases are carried at the principal amount outstanding, net of unamortized deferred loan origination fees and costs. At June 30, 2015, and December 31, 2014, the aggregate amount of these net unamortized deferred loan origination fees and was \$300.5 million and \$178.7 million, respectively.

Loan and Lease Portfolio Composition

The following table provides a detailed listing of Huntington's loan and lease portfolio at June 30, 2015 and December 31, 2014:

(dollar amounts in thousands)	**June 30, 2015**	December 31, 2014
Loans and leases:		
Commercial and industrial	**$20,002,676**	$19,033,146
Commercial real estate	**5,213,793**	5,197,403
Automobile	**8,549,081**	8,689,902
Home equity	**8,526,276**	8,490,915
Residential mortgage	**5,987,000**	5,830,609
Other consumer	**473,475**	413,751
Loans and leases	**48,752,301**	47,655,726
Allowance for loan and lease losses	**(599,542)**	(605,196)
Net loans and leases	**$48,152,759**	$47,050,530

As shown in the table above, the primary loan and lease portfolios are: C&I, CRE, automobile, home equity, residential mortgage, and other consumer. For ACL purposes, these portfolios are further disaggregated into classes. The classes within each portfolio are as follows:

Portfolio	Class
Commercial and industrial	Owner occupied Purchased credit-impaired Other commercial and industrial
Commercial real estate	Retail properties Multi family Office Industrial and warehouse Purchased credit-impaired Other commercial real estate
Automobile	NA (1)
Home equity	Secured by first-lien Secured by junior-lien
Residential mortgage	Residential mortgage Purchased credit-impaired
Other consumer	Other consumer Purchased credit-impaired

(1) Not applicable. The automobile loan portfolio is not further segregated into classes.

HTF acquisition

On March 31, 2015, Huntington completed its acquisition of Macquarie Equipment Finance, which was re-branded Huntington Technology Finance (HTF). Lease receivables with a fair value of $838.6 million, including a lease residual value of approximately $200 million, were acquired by Huntington. These leases were recorded at fair value. The fair values for the leases were estimated using discounted cash flow analyses using interest rates currently being offered for leases with similar terms (Level 3), and reflected an estimate of credit and other risk associated with the leases.

Camco Financial acquisition

On March 1, 2014, Huntington completed its acquisition of Camco Financial. Loans with a fair value of $559.4 million were transferred to Huntington.

Fidelity Bank acquisition

On March 30, 2012, Huntington acquired the loans of Fidelity Bank located in Dearborn, Michigan from the FDIC. Under the agreement, loans with a fair value of $523.9 million were acquired by Huntington.

Purchased Credit-Impaired Loans

Purchased loans with evidence of deterioration in credit quality since origination for which it is probable at acquisition that we will be unable to collect all contractually required payments are considered to be credit impaired. Purchased credit-impaired loans are initially recorded at fair value, which is estimated by discounting the cash flows expected to be collected at the acquisition date. Because the estimate of expected cash flows reflects an estimate of future credit losses expected to be incurred over the life of the loans, an allowance for credit losses is not recorded at the acquisition date. The excess of cash flows expected at acquisition over the estimated fair value, referred to as the accretable yield, is recognized in interest income over the remaining life of the loan, or pool of loans, on a level-yield basis. The difference between the contractually required payments at acquisition and the cash flows expected to be collected at acquisition is referred to as the nonaccretable difference. A subsequent decrease in the estimate of cash flows expected to be received on purchased credit-impaired loans generally results in the recognition of an allowance for credit losses. Subsequent increases in cash flows result in reversal of any nonaccretable difference (or allowance for loan and lease losses to the extent any has been recorded) with a positive impact on interest income subsequently recognized. The measurement of cash flows involves assumptions and judgments for interest rates, prepayments, default rates, loss severity, and collateral values. All of these factors are inherently subjective and significant changes in the cash flow estimates over the life of the loan can result.

The following table presents a rollforward of the accretable yield for purchased credit impaired loans by acquisition for the three-month and six-month periods ended June 30, 2015 and 2014:

	Three Months Ended June 30, 2015		Six Months Ended June 30, 2015	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Fidelity Bank				
Balance, beginning of period	**$20,191**	$24,758	**$19,388**	$27,995
Accretion	**(2,990)**	(3,647)	**(5,864)**	(7,651)
Reclassification from nonaccretable difference	**2,111**	3,485	**5,788**	4,252
Balance, end of period	**$19,312**	$24,596	**$19,312**	$24,596
Camco Financial				
Balance, beginning of period	**$ 879**	$ 134	**$ 824**	$ —
Impact of acquisition/purchase on March 1, 2014	**—**	—	**—**	143
Accretion	**(914)**	(5,173)	**(1,250)**	(5,182)
Reclassification from nonaccretable difference	**716**	5,193	**1,107**	5,193
Balance, end of period	**$ 681**	$ 154	**$ 681**	$ 154

The allowance for loan losses recorded on the purchased credit-impaired loan portfolio at June 30, 2015 and December 31, 2014 was $1.0 million and $4.1 million, respectively. The following table reflects the ending and unpaid balances of all contractually required payments and carrying amounts of the acquired loans by acquisition at June 30, 2015 and December 31, 2014:

	June 30, 2015		December 31, 2014	
(dollar amounts in thousands)	**Ending Balance**	**Unpaid Balance**	Ending Balance	Unpaid Balance
Fidelity Bank				
Commercial and industrial	**$20,122**	**$ 29,969**	$22,405	$ 33,622
Commercial real estate	**25,742**	**71,953**	36,663	87,250
Residential mortgage	**2,040**	**3,017**	1,912	3,096
Other consumer	**51**	**114**	51	123
Total	**$47,955**	**$105,053**	$61,031	$124,091
Camco Financial				
Commercial and industrial	**$ —**	**$ —**	$ 823	$ 1,685
Commercial real estate	**1,849**	**2,603**	1,708	3,826
Total	**$ 1,849**	**$ 2,603**	$ 2,531	$ 5,511

Loan Purchases and Sales

The following table summarizes portfolio loan purchase and sale activity for the three-month and six-month periods ended June 30, 2015 and 2014. The table below excludes mortgage loans originated for sale.

(dollar amounts in thousands)	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
Portfolio loans and leases purchased or transferred from held for sale during the:							
Three-month period ended June 30, 2015	**$ 31,905**	**$ —**	**$ 262,037(2)**	**$—**	**$ 75,403**	**$ —**	**$ 369,345**
Six-month period ended June 30, 2015	**$ 44,496**	**$ —**	**$ 262,037(2)**	**$—**	**$107,037**	**$ —**	**$ 413,570**
Three-month period ended June 30, 2014	$ 165,482	$ —	$ —	$—	$ —	$ —	$ 165,482
Six-month period ended June 30, 2014	$ 205,603	$ —	$ —	$—	$ —	$ —	$ 205,603
Portfolio loans and leases sold or transferred to loans held for sale during the:							
Three-month period ended June 30, 2015	**$ 100,202**	**$ —**	**$ —**	**$—**	**$ —**	**$ —**	**$ 100,202**
Six-month period ended June 30, 2015	**$ 185,902**	**$ —**	**$1,026,195(1)**	**$—**	**$ —**	**—**	**$1,212,097**
Three-month period ended June 30, 2014	$ 50,472	$ 7,395	$ —	$—	$ —	$ 7,592	$ 65,459
Six-month period ended June 30, 2014	$ 104,731	$ 7,434	$ —	$—	$ —	$ 7,592	$ 119,757

(1) Reflects the transfer of approximately $1.0 billion automobile loans to loans held-for-sale at March 31, 2015.
(2) Includes loans Huntington no longer has the intent to sell and, therefore transferred back to the portfolio in the 2015 second quarter.

NALs and Past Due Loans

Loans are considered past due when the contractual amounts due with respect to principal and interest are not received within 30 days of the contractual due date.

Any loan in any portfolio may be placed on nonaccrual status prior to the policies described below when collection of principal or interest is in doubt. When a borrower with debt is discharged in a Chapter 7 bankruptcy and not reaffirmed by the borrower, the loan is determined to be collateral dependent and placed on nonaccrual status.

All classes within the C&I and CRE portfolios (except for purchased credit-impaired loans) are placed on nonaccrual status at 90-days past due. Residential mortgage loans are placed on nonaccrual status at 150-days past due, with the exception of residential mortgages guaranteed by government organizations. First-lien home equity loans are placed on nonaccrual status at 150-days past due. Junior-lien home equity loans are placed on nonaccrual status at the earlier of 120-days past due or when the related first-lien loan has been identified as nonaccrual. Automobile and other consumer loans are generally charged-off when the loan is 120-days past due.

For all classes within all loan portfolios, when a loan is placed on nonaccrual status, any accrued interest income is reversed with current year accruals charged to interest income, and prior year amounts charged-off as a credit loss.

For all classes within all loan portfolios, cash receipts received on NALs are applied entirely against principal until the loan or lease has been collected in full, after which time any additional cash receipts are recognized as interest income. However, for secured non-reaffirmed debt in a Chapter 7 bankruptcy, payments are applied to principal and interest when the borrower has demonstrated a capacity to continue payment of the debt and collection of the debt is reasonably assured. For unsecured non-reaffirmed debt in a Chapter 7 bankruptcy where the carrying value has been fully charged-off, payments are recorded as loan recoveries.

Regarding all classes within the C&I and CRE portfolios, the determination of a borrower's ability to make the required principal and interest payments is based on an examination of the borrower's current financial statements, industry, management capabilities, and other qualitative measures. For all classes within the consumer loan portfolio, the determination of a borrower's ability to make the required principal and interest payments is based on multiple factors, including number of days past due and, in some instances, an evaluation of the borrower's financial condition. When, in Management's judgment, the borrower's ability to make required principal and interest payments resumes and collectability is no longer in doubt, supported by sustained repayment history, the loan or lease is returned to accrual status. For these loans that have been returned to accrual status, cash receipts are applied according to the contractual terms of the loan.

The following table presents NALs by loan class at June 30, 2015 and December 31, 2014:

(dollar amounts in thousands)	**June 30, 2015**	December 31, 2014
Commercial and industrial:		
Owner occupied	**$ 44,864**	$ 41,285
Other commercial and industrial	**104,849**	30,689
Total commercial and industrial	**$149,713**	$ 71,974
Commercial real estate:		
Retail properties	**$ 18,314**	$ 21,385
Multi family	**5,647**	9,743
Office	**14,545**	7,707
Industrial and warehouse	**1,182**	3,928
Other commercial real estate	**4,200**	5,760
Total commercial real estate	**$ 43,888**	$ 48,523
Automobile	**$ 4,190**	$ 4,623
Home equity:		
Secured by first-lien	**$ 42,424**	$ 46,938
Secured by junior-lien	**32,926**	31,622
Total home equity	**$ 75,350**	$ 78,560
Residential mortgage	**$ 91,198**	$ 96,564
Other consumer	**$ —**	$ —
Total nonaccrual loans	**$364,339**	$ 300,244

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The following table presents an aging analysis of loans and leases, including past due loans, by loan class at June 30, 2015 and December 31, 2014: (1)

June 30, 2015

	Past Due						
(dollar amounts in thousands)	30-59 Days	60-89 Days	90 or more days	Total	Current	Total Loans and Leases	90 or more days past due and accruing
Commercial and industrial:							
Owner occupied	$ 8,420	$ 3,328	$ 23,594	$ 35,342	$ 4,164,517	$ 4,199,859	$ —
Purchased credit-impaired	409	—	4,765	5,174	14,948	20,122	4,765(3)
Other commercial and industrial	28,636	18,363	22,282	69,281	15,713,414	15,782,695	1,856(2)
Total commercial and industrial	$ 37,465	$ 21,691	$ 50,641	$109,797	$19,892,879	$20,002,676	$ 6,621
Commercial real estate:							
Retail properties	$ 425	$ 1,167	$ 3,356	$ 4,948	$ 1,350,570	$ 1,355,518	$ —
Multi family	2,092	12	2,477	4,581	1,116,003	1,120,584	—
Office	3,090	—	1,929	5,019	925,921	930,940	—
Industrial and warehouse	420	327	430	1,177	499,910	501,087	—
Purchased credit-impaired	1,166	2,012	10,920	14,098	13,493	27,591	10,920(3)
Other commercial real estate	310	105	4,052	4,467	1,273,606	1,278,073	—
Total commercial real estate	$ 7,503	$ 3,623	$ 23,164	$ 34,290	$ 5,179,503	$ 5,213,793	$ 10,920
Automobile	$ 50,355	$ 10,373	$ 4,388	$ 65,116	$ 8,483,965	$ 8,549,081	$ 4,269
Home equity:							
Secured by first-lien	$ 16,903	$ 7,266	$ 29,861	$ 54,030	$ 5,151,027	$ 5,205,057	$ 4,879
Secured by junior-lien	23,663	9,564	33,872	67,099	3,254,120	3,321,219	6,834
Total home equity	$ 40,566	$ 16,830	$ 63,733	$121,129	$ 8,405,147	$ 8,526,276	$ 11,713
Residential mortgage:							
Residential mortgage	$ 92,554	$ 37,877	$ 118,641	$249,072	$ 5,735,888	$ 5,984,960	$ 72,509
Purchased credit-impaired	—	—	—	—	2,040	2,040	—
Total residential mortgage	$ 92,554	$ 37,877	$ 118,641	$249,072	$ 5,737,928	$ 5,987,000	$ 72,509(4)
Other consumer:							
Other consumer	$ 5,624	$ 1,120	$ 847	$ 7,591	$ 465,833	$ 473,424	$ 846
Purchased credit-impaired	—	—	—	—	51	51	—
Total other consumer	$ 5,624	$ 1,120	$ 847	$ 7,591	$ 465,884	$ 473,475	$ 846
Total loans and leases	$234,067	$ 91,514	$ 261,414	$586,995	$48,165,306	$48,752,301	$ 106,878

(dollar amounts in thousands)	December 31, 2014 Past Due 30-59 Days	60-89 Days	90 or more days	Total	Current	Total Loans and Leases	90 or more days past due and accruing
Commercial and industrial:							
Owner occupied	$ 5,232	$ 2,981	$ 18,222	$ 26,435	$ 4,228,440	$ 4,254,875	$ —
Purchased credit-impaired	846	—	4,937	5,783	17,445	23,228	4,937
Other commercial and industrial	15,330	1,536	9,101	25,967	14,729,076	14,755,043	—
Total commercial and industrial	$ 21,408	$ 4,517	$ 32,260	$ 58,185	$18,974,961	$19,033,146	$ 4,937(3)
Commercial real estate:							
Retail properties	$ 7,866	$ —	$ 4,021	$ 11,887	$ 1,345,859	$ 1,357,746	$ —
Multi family	1,517	312	3,337	5,166	1,085,250	1,090,416	—
Office	464	1,167	4,415	6,046	974,257	980,303	—
Industrial and warehouse	688	—	2,649	3,337	510,064	513,401	—
Purchased credit-impaired	89	289	18,793	19,171	19,200	38,371	18,793
Other commercial real estate	847	1,281	3,966	6,094	1,211,072	1,217,166	—
Total commercial real estate	$ 11,471	$ 3,049	$ 37,181	$ 51,701	$ 5,145,702	$ 5,197,403	$ 18,793(3)
Automobile	$ 56,272	$ 10,427	$ 5,963	$ 72,662	$ 8,617,240	$ 8,689,902	$ 5,703
Home equity							
Secured by first-lien	$ 15,036	$ 8,085	$ 33,014	$ 56,135	$ 5,072,669	$ 5,128,804	$ 4,471
Secured by junior-lien	22,473	12,297	33,406	68,176	3,293,935	3,362,111	7,688
Total home equity	$ 37,509	$ 20,382	$ 66,420	$124,311	$ 8,366,604	$ 8,490,915	$ 12,159
Residential mortgage							
Residential mortgage	$102,702	$ 42,009	$ 139,379	$284,090	$ 5,544,607	$ 5,828,697	$ 88,052
Purchased credit-impaired	—	—	—	—	1,912	1,912	—
Total residential mortgage	$102,702	$ 42,009	$ 139,379	$284,090	$ 5,546,519	$ 5,830,609	$ 88,052(5)
Other consumer							
Other consumer	$ 5,491	$ 1,086	$ 837	$ 7,414	$ 406,286	$ 413,700	$ 837
Purchased credit-impaired	—	—	—	—	51	51	—
Total other consumer	$ 5,491	$ 1,086	$ 837	$ 7,414	$ 406,337	$ 413,751	$ 837
Total loans and leases	$234,853	$ 81,470	$ 282,040	$598,363	$47,057,363	$47,655,726	$ 130,481

(1) NALs are included in this aging analysis based on the loan's past due status.
(2) Amounts include HTF administrative lease delinquencies.
(3) Amounts represent accruing purchased impaired loans related to acquisitions. Under the applicable accounting guidance (ASC 310-30), the loans were recorded at fair value upon acquisition and remain in accruing status.
(4) Includes $50,640 thousand guaranteed by the U.S. government.
(5) Includes $55,012 thousand guaranteed by the U.S. government.

Allowance for Credit Losses

Huntington maintains two reserves, both of which reflect Management's judgment regarding the appropriate level necessary to absorb credit losses inherent in our loan and lease portfolio: the ALLL and the AULC. Combined, these reserves comprise the total ACL. The determination of the ACL requires significant estimates, including the timing and amounts of expected future cash flows on impaired loans and leases, consideration of current economic conditions, and historical loss experience pertaining to pools of homogeneous loans and leases, all of which may be susceptible to change.

The appropriateness of the ACL is based on Management's current judgments about the credit quality of the loan portfolio. These judgments consider on-going evaluations of the loan and lease portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the level of delinquent loans, the value of any collateral and, where applicable, the existence of any guarantees or other documented support. Further, Management evaluates the impact of changes in interest rates and overall economic conditions on the ability of borrowers to meet their financial obligations when quantifying our exposure to credit losses and assessing the appropriateness of our ACL at each reporting date. In addition to general economic conditions and the other factors described above, additional factors also considered include: the impact of increasing or decreasing residential real estate values; the diversification of CRE loans; the development of new or expanded Commercial business segments such as healthcare, ABL, and energy, and the overall condition of the manufacturing industry. Management's determinations regarding the appropriateness of the ACL are reviewed and approved by the Company's board of directors.

The ALLL consists of two components: (1) the transaction reserve, which includes a loan level allocation, specific reserves related to loans considered to be impaired, and loans involved in troubled debt restructurings, and (2) the general reserve. The transaction reserve component includes both (1) an estimate of loss based on pools of commercial and consumer loans and leases with similar characteristics and (2) an estimate of loss based on an impairment review of each impaired C&I and CRE loan greater than $1.0 million. For the C&I and CRE portfolios, the estimate of loss based on pools of loans and leases with similar characteristics is made by applying a PD factor and a LGD factor to each individual loan based on a regularly updated loan grade, using a standardized loan grading system. The PD factor and an LGD factor are determined for each loan grade using statistical models based on historical performance data. The PD factor considers on-going reviews of the financial performance of the specific borrower, including cash flow, debt-service coverage ratio, earnings power, debt level, and equity position, in conjunction with an assessment of the borrower's industry and future prospects. The LGD factor considers analysis of the type of collateral and the relative LTV ratio. These reserve factors are developed based on credit migration models that track historical movements of loans between loan ratings over time and a combination of long-term average loss experience of our own portfolio and external industry data using a 24-month loss emergence period.

In the case of other homogeneous portfolios, such as automobile loans, home equity loans, and residential mortgage loans, the determination of the transaction reserve also incorporates PD and LGD factors. The estimate of loss is based on pools of loans and leases with similar characteristics. The PD factor considers current credit scores unless the account is delinquent, in which case a higher PD factor is used. The credit score provides a basis for understanding the borrower's past and current payment performance, and this information is used to estimate expected losses over the emergence period. The performance of first-lien loans ahead of our junior-lien loans is available to use as part of our updated score process. The LGD factor considers analysis of the type of collateral and the relative LTV ratio. Credit scores, models, analyses, and other factors used to determine both the PD and LGD factors are updated frequently to capture the recent behavioral characteristics of the subject portfolios, as well as any changes in loss mitigation or credit origination strategies, and adjustments to the reserve factors are made as required. Models utilized in the ALLL estimation process are subject to the Company's model validation policies.

The general reserve consists of our risk-profile reserve components, which includes items unique to our structure, policies, processes, and portfolio composition, as well as qualitative measurements and assessments of the loan portfolios including, but not limited to, management quality, concentrations, portfolio composition, industry comparisons, and internal review functions.

The estimate for the AULC is determined using the same procedures and methodologies as used for the ALLL. The loss factors used in the AULC are the same as the loss factors used in the ALLL while also considering a historical utilization of unused commitments. The AULC is reflected in accrued expenses and other liabilities in the Unaudited Condensed Consolidated Balance Sheet.

The ACL is increased through a provision for credit losses that is charged to earnings, based on Management's quarterly evaluation of the factors previously mentioned, and is reduced by charge-offs, net of recoveries, and the ACL associated with securitized or sold loans.

During the 2015 first quarter, we reviewed our existing commercial and consumer credit models and enhanced certain processes and methods of ACL estimation. During this review, we analyzed the loss emergence periods used for consumer receivables collectively evaluated for impairment and, as a result, extended our loss emergence periods for products within these portfolios. As part of these enhancements to our credit reserve process, we evaluated the methods used to separately estimate economic risks inherent in our portfolios and decided to no longer utilize these separate estimation techniques. Economic risks are incorporated in our loss estimates elsewhere in our reserve calculation. The enhancements made to our credit reserve processes during the quarter allow for increased segmentation and analysis of the estimated incurred losses within our loan portfolios. The net ACL impact of these enhancements was immaterial.

The following table presents ALLL and AULC activity by portfolio segment for the three-month and six-month periods ended June 30, 2015 and 2014:

(dollar amounts in thousands)	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
Three-month period ended June 30, 2015:							
ALLL balance, beginning of period	$ 284,573	$ 100,752	$ 37,125	$110,280	$ 55,380	$ 17,016	$ 605,126
Loan charge-offs	(12,213)	(8,288)	(7,691)	(8,629)	(3,610)	(6,539)	(46,970)
Recoveries of loans previously charged-off	7,802	2,763	4,249	3,979	1,468	1,334	21,595
Provision (reduction in allowance) for loan and lease losses	4,879	(3,167)	5,418	5,548	(1,559)	8,671	19,790
Allowance for loans sold or transferred to loans held for sale	—	—	1	—	—	—	1
ALLL balance, end of period	$ 285,041	$ 92,060	$ 39,102	$111,178	$ 51,679	$ 20,482	$ 599,542
AULC balance, beginning of period	$ 42,315	$ 5,531	$ —	$ 2,639	$ 9	$ 4,248	$ 54,742
Provision (reduction in allowance) for unfunded loan commitments and letters of credit	(466)	247	—	(117)	8	957	629
AULC balance, end of period	$ 41,849	$ 5,778	$ —	$ 2,522	$ 17	$ 5,205	$ 55,371
ACL balance, end of period	$ 326,890	$ 97,838	$ 39,102	$113,700	$ 51,696	$ 25,687	$ 654,913
Six-month period ended June 30, 2015:							
ALLL balance, beginning of period	$ 286,995	$ 102,839	$ 33,466	$ 96,413	$ 47,211	$ 38,272	$ 605,196
Loan charge-offs	(36,825)	(10,301)	(15,794)	(17,215)	(8,473)	(13,437)	(102,045)
Recoveries of loans previously charged-off	21,011	8,788	8,104	7,940	3,515	2,880	52,238
Provision (reduction in allowance) for loan and lease losses	13,860	(9,266)	15,618	24,040	9,426	(7,233)	46,445
Allowance for loans sold or transferred to loans held for sale	—	—	(2,292)	—	—	—	(2,292)
ALLL balance, end of period	$ 285,041	$ 92,060	$ 39,102	$111,178	$ 51,679	$ 20,482	$ 599,542
AULC balance, beginning of period	$ 48,988	$ 6,041	$ —	$ 1,924	$ 8	$ 3,845	$ 60,806
Provision for (reduction in allowance) unfunded loan commitments and letters of credit	(7,139)	(263)	—	598	9	1,360	(5,435)
AULC balance, end of period	$ 41,849	$ 5,778	$ —	$ 2,522	$ 17	$ 5,205	$ 55,371
ACL balance, end of period	$ 326,890	$ 97,838	$ 39,102	$113,700	$ 51,696	$ 25,687	$ 654,913

(dollar amounts in thousands)	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
Three-month period ended June 30, 2014:							
ALLL balance, beginning of period	$ 266,979	$ 160,306	$ 25,178	$113,177	$ 39,068	$ 27,210	$ 631,918
Loan charge-offs	(23,245)	(2,998)	(6,632)	(13,201)	(6,062)	(6,689)	(58,827)
Recoveries of loans previously charged-off	12,648	5,189	3,706	4,710	2,656	1,275	30,184
Provision for (reduction in allowance) loan and lease losses	22,130	(25,151)	4,906	1,257	11,529	17,155	31,826
Allowance for loans sold or transferred to loans held for sale	—	—	—	—	—	—	—
ALLL balance, end of period	$ 278,512	$ 137,346	$ 27,158	$105,943	$ 47,191	$ 38,951	$ 635,101
AULC balance, beginning of period	$ 46,316	$ 9,127	$ —	$ 1,791	$ 8	$ 2,126	$ 59,368
Provision for (reduction in allowance) unfunded loan commitments and letters of credit	(1,566)	(1,597)	—	186	—	536	(2,441)
AULC balance, end of period	$ 44,750	$ 7,530	$ —	$ 1,977	$ 8	$ 2,662	$ 56,927
ACL balance, end of period	$ 323,262	$ 144,876	$ 27,158	$107,920	$ 47,199	$ 41,613	$ 692,028
Six-month period ended June 30, 2014:							
ALLL balance, beginning of period	$ 265,801	$ 162,557	$ 31,053	$111,131	$ 39,577	$ 37,751	$ 647,870
Loan charge-offs	(39,582)	(13,108)	(14,676)	(34,260)	(15,048)	(15,164)	(131,838)
Recoveries of loans previously charged-off	20,379	16,286	7,108	10,082	3,783	2,571	60,209
Provision for (reduction in allowance) loan and lease losses	31,914	(28,389)	3,673	18,990	18,879	14,920	59,987
Allowance for loans sold or transferred to loans held for sale	—	—	—	—	—	(1,127)	(1,127)
ALLL balance, end of period	$ 278,512	$ 137,346	$ 27,158	$105,943	$ 47,191	$ 38,951	$ 635,101
AULC balance, beginning of period	$ 49,596	$ 9,891	$ —	$ 1,763	$ 9	$ 1,640	$ 62,899
Provision for (reduction in allowance) unfunded loan commitments and letters of credit	(4,846)	(2,361)	—	214	(1)	1,022	(5,972)
AULC balance, end of period	$ 44,750	$ 7,530	$ —	$ 1,977	$ 8	$ 2,662	$ 56,927
ACL balance, end of period	$ 323,262	$ 144,876	$ 27,158	$107,920	$ 47,199	$ 41,613	$ 692,028

Any loan in any portfolio may be charged-off prior to the policies described below if a loss confirming event has occurred. Loss confirming events include, but are not limited to, bankruptcy (unsecured), continued delinquency, foreclosure, or receipt of an asset valuation indicating a collateral deficiency and that asset is the sole source of repayment. Additionally, discharged, collateral dependent non-reaffirmed debt in Chapter 7 bankruptcy filings will result in a charge-off to estimated collateral value, less anticipated selling costs.

C&I and CRE loans are either charged-off or written down to net realizable value at 90-days past due. Automobile loans and other consumer loans are charged-off or written down to net realizable value at 120-days past due. First-lien and junior-lien home equity loans are charged-off to the estimated fair value of the collateral, less anticipated selling costs, at 150-days past due and 120-days past due, respectively. Residential mortgages are charged-off to the estimated fair value of the collateral, less anticipated selling costs, at 150-days past due.

Credit Quality Indicators

To facilitate the monitoring of credit quality for C&I and CRE loans, and for purposes of determining an appropriate ACL level for these loans, Huntington utilizes the following categories of credit grades:

Pass - Higher quality loans that do not fit any of the other categories described below.

OLEM - The credit risk may be relatively minor yet represent a risk given certain specific circumstances. If the potential weaknesses are not monitored or mitigated, the loan may weaken or the collateral may be inadequate to protect Huntington's position in the future. For these reasons, Huntington considers the loans to be potential problem loans.

Substandard - Inadequately protected loans by the borrower's ability to repay, equity, and/or the collateral pledged to secure the loan. These loans have identified weaknesses that could hinder normal repayment or collection of the debt. It is likely Huntington will sustain some loss if any identified weaknesses are not mitigated.

Doubtful - Loans that have all of the weaknesses inherent in those loans classified as Substandard, with the added elements of the full collection of the loan is improbable and that the possibility of loss is high.

The categories above, which are derived from standard regulatory rating definitions, are assigned upon initial approval of the loan or lease and subsequently updated as appropriate.

Commercial loans categorized as OLEM, Substandard, or Doubtful are considered Criticized loans. Commercial loans categorized as Substandard or Doubtful are also considered Classified loans.

For all classes within all consumer loan portfolios, each loan is assigned a specific PD factor that is partially based on the borrower's most recent credit bureau score, which we update quarterly. A credit bureau score is a credit score developed by Fair Isaac Corporation based on data provided by the credit bureaus. The credit bureau score is widely accepted as the standard measure of consumer credit risk used by lenders, regulators, rating agencies, and consumers. The higher the credit bureau score, the higher likelihood of repayment and therefore, an indicator of higher credit quality.

Huntington assesses the risk in the loan portfolio by utilizing numerous risk characteristics. The classifications described above, and also presented in the table below, represent one of those characteristics that are closely monitored in the overall credit risk management processes.

The following table presents each loan and lease class by credit quality indicator at June 30, 2015 and December 31, 2014:

	June 30, 2015				
	Credit Risk Profile by UCS classification				
(dollar amounts in thousands)	Pass	OLEM	Substandard	Doubtful	Total
Commercial and industrial:					
Owner occupied	**$ 3,875,455**	**$114,939**	**$207,241**	**$2,224**	**$ 4,199,859**
Purchased credit-impaired	**4,061**	**500**	**15,360**	**201**	**20,122**
Other commercial and industrial	**14,892,225**	**315,347**	**572,268**	**2,855**	**15,782,695**
Total commercial and industrial	**$18,771,741**	**$430,786**	**$794,869**	**$5,280**	**$20,002,676**
Commercial real estate:					
Retail properties	**$ 1,284,017**	**$ 13,750**	**$ 58,006**	**$ (255)**	**$ 1,355,518**
Multi family	**1,084,707**	**12,041**	**23,345**	**491**	**1,120,584**
Office	**859,603**	**27,135**	**42,155**	**2,047**	**930,940**
Industrial and warehouse	**488,609**	**347**	**11,768**	**363**	**501,087**
Purchased credit-impaired	**8,923**	**158**	**16,656**	**1,854**	**27,591**
Other commercial real estate	**1,242,841**	**4,678**	**29,714**	**840**	**1,278,073**
Total commercial real estate	**$ 4,968,700**	**$ 58,109**	**$181,644**	**$5,340**	**$ 5,213,793**

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	Credit Risk Profile by FICO score (1)				
	750+	650-749	<650	Other (2)	Total
Automobile	**$ 4,172,286**	**$3,177,579**	**$ 961,996**	**$237,220**	**$ 8,549,081**
Home equity:					
Secured by first-lien	**$ 3,311,887**	**$1,438,410**	**$ 282,919**	**$171,841**	**$ 5,205,057**
Secured by junior-lien	**1,824,355**	**1,041,941**	**349,377**	**105,546**	**3,321,219**
Total home equity	**$ 5,136,242**	**$2,480,351**	**$ 632,296**	**$277,387**	**$ 8,526,276**
Residential mortgage:					
Residential mortgage	**$ 3,528,722**	**$1,795,997**	**$ 603,735**	**$ 56,506**	**$ 5,984,960**
Purchased credit-impaired	**636**	**723**	**681**	**—**	**2,040**
Total residential mortgage	**$ 3,529,358**	**$1,796,720**	**$ 604,416**	**$ 56,506**	**$ 5,987,000**
Other consumer:					
Other consumer	**$ 218,022**	**$ 220,435**	**$ 33,893**	**$ 1,074**	**$ 473,424**
Purchased credit-impaired	**—**	**51**	**—**	**—**	**51**
Total other consumer	**$ 218,022**	**$ 220,486**	**$ 33,893**	**$ 1,074**	**$ 473,475**

	December 31, 2014				
	Credit Risk Profile by UCS classification				
(dollar amounts in thousands)	Pass	OLEM	Substandard	Doubtful	Total
Commercial and industrial:					
Owner occupied	$ 3,959,046	$ 117,637	$ 175,767	$ 2,425	$ 4,254,875
Purchased credit-impaired	3,915	741	14,901	3,671	23,228
Other commercial and industrial	13,925,334	386,666	440,036	3,007	14,755,043
Total commercial and industrial	$17,888,295	$ 505,044	$ 630,704	$ 9,103	$19,033,146
Commercial real estate:					
Retail properties	$ 1,279,064	$ 10,204	$ 67,911	$ 567	$ 1,357,746
Multi family	1,044,521	12,608	32,322	965	1,090,416
Office	902,474	33,107	42,578	2,144	980,303
Industrial and warehouse	487,454	7,877	17,781	289	513,401
Purchased credit-impaired	6,914	803	25,460	5,194	38,371
Other commercial real estate	1,166,293	9,635	40,019	1,219	1,217,166
Total commercial real estate	$ 4,886,720	$ 74,234	$ 226,071	$ 10,378	$ 5,197,403

	Credit Risk Profile by FICO score (1)				
	750+	650-749	<650	Other (2)	Total
Automobile	$ 4,165,811	$3,249,141	$1,028,381	$246,569	$ 8,689,902
Home equity:					
Secured by first-lien	$ 3,255,088	$1,426,191	$ 283,152	$164,373	$ 5,128,804
Secured by junior-lien	1,832,663	1,095,332	348,825	85,291	3,362,111
Total home equity	$ 5,087,751	$2,521,523	$ 631,977	$249,664	$ 8,490,915
Residential mortgage					
Residential mortgage	$ 3,285,310	$1,785,137	$ 666,562	$ 91,688	$ 5,828,697
Purchased credit-impaired	594	1,135	183	—	1,912
Total residential mortgage	$ 3,285,904	$1,786,272	$ 666,745	$ 91,688	$ 5,830,609
Other consumer					
Other consumer	$ 195,128	$ 187,781	$ 30,582	$ 209	$ 413,700
Purchased credit-impaired	—	51	—	—	51
Total other consumer	$ 195,128	$ 187,832	$ 30,582	$ 209	$ 413,751

(1) Reflects currently updated customer credit scores.
(2) Reflects deferred fees and costs, loans in process, loans to legal entities, etc.

Impaired Loans

For all classes within the C&I and CRE portfolios, all loans with an outstanding balance of $1.0 million or greater are considered for individual evaluation on a quarterly basis for impairment. Generally, consumer loans within any class are not individually evaluated on a regular basis for impairment. All TDRs, regardless of the outstanding balance amount, are also considered to be impaired. Loans acquired with evidence of deterioration of credit quality since origination for which it is probable at acquisition that all contractually required payments will not be collected are also considered to be impaired.

Once a loan has been identified for an assessment of impairment, the loan is considered impaired when, based on current information and events, it is probable that all amounts due according to the contractual terms of the loan agreement will not be collected. This determination requires significant judgment and use of estimates, and the eventual outcome may differ significantly from those estimates.

When a loan in any class has been determined to be impaired, the amount of the impairment is measured using the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, the observable market price of the loan, or the fair value of the collateral, less anticipated selling costs, if the loan is collateral dependent. When the present value of expected future cash flows is used, the effective interest rate is the original contractual interest rate of the loan adjusted for any premium, discount, fees, or costs. A specific reserve is established as a component of the ALLL when a commercial loan has been determined to be impaired. Subsequent to the initial measurement of impairment, if there is a significant change to the impaired loan's expected future cash flows, or if actual cash flows are significantly different from the cash flows previously estimated, Huntington recalculates the impairment and appropriately adjusts the specific reserve. Similarly, if Huntington measures impairment based on the observable market price of an impaired loan or the fair value of the collateral of an impaired collateral dependent loan, Huntington will adjust the specific reserve. The consumer portfolios are assessed on a pooled basis using a discounted cash flow basis.

When a loan within any class is impaired, the accrual of interest income is discontinued unless the receipt of principal and interest is no longer in doubt. Interest income on TDRs is accrued when all principal and interest is expected to be collected under the post-modification terms. Cash receipts received on nonaccruing impaired loans within any class are generally applied entirely against principal until the loan has been collected in full, after which time any additional cash receipts are recognized as interest income. Cash receipts received on accruing impaired loans within any class are applied in the same manner as accruing loans that are not considered impaired.

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The following tables present the balance of the ALLL attributable to loans by portfolio segment individually and collectively evaluated for impairment and the related loan and lease balance at June 30, 2015 and December 31, 2014:

(dollar amounts in thousands)	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
ALLL at June 30, 2015:							
Portion of ALLL balance:							
Attributable to purchased credit-impaired loans	**$ 696**	**$ —**	**$ —**	**$ —**	**$ 258**	**$ 7**	**$ 961**
Attributable to loans individually evaluated for impairment	**15,570**	**13,285**	**1,471**	**25,933**	**10,066**	**122**	**66,447**
Attributable to loans collectively evaluated for impairment	**268,775**	**78,775**	**37,631**	**85,245**	**41,355**	**20,353**	**532,134**
Total ALLL balance	**$ 285,041**	**$ 92,060**	**$ 39,102**	**$ 111,178**	**$ 51,679**	**$ 20,482**	**$ 599,542**
Loan and Lease Ending Balances at June 30, 2015:							
Portion of loan and lease ending balance:							
Attributable to purchased credit-impaired loans	**$ 20,122**	**$ 27,591**	**$ —**	**$ —**	**$ 2,040**	**$ 51**	**$ 49,804**
Individually evaluated for impairment	**402,525**	**196,593**	**28,805**	**336,485**	**364,782**	**4,881**	**1,334,071**
Collectively evaluated for impairment	**19,580,029**	**4,989,609**	**8,520,276**	**8,189,791**	**5,620,178**	**468,543**	**47,368,426**
Total loans and leases evaluated for impairment	**$ 20,002,676**	**$ 5,213,793**	**$ 8,549,081**	**$ 8,526,276**	**$ 5,987,000**	**$ 473,475**	**$ 48,752,301**

(dollar amounts in thousands)	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
ALLL at December 31, 2014							
Portion of ALLL balance:							
Attributable to purchased credit-impaired loans	$ 3,846	$ —	$ —	$ —	$ 8	$ 245	$ 4,099
Attributable to loans individually evaluated for impairment	11,049	18,887	1,531	26,027	16,535	214	74,243
Attributable to loans collectively evaluated for impairment	272,100	83,952	31,935	70,386	30,668	37,813	526,854
Total ALLL balance:	$ 286,995	$ 102,839	$ 33,466	$ 96,413	$ 47,211	$ 38,272	$ 605,196
Loan and Lease Ending Balances at December 31, 2014							
Portion of loan and lease ending balances:							
Attributable to purchased credit-impaired loans	$ 23,228	$ 38,371	$ —	$ —	$ 1,912	$ 51	$ 63,562
Individually evaluated for impairment	216,993	217,262	30,612	310,446	369,577	4,088	1,148,978
Collectively evaluated for impairment	18,792,925	4,941,770	8,659,290	8,180,469	5,459,120	409,612	46,443,186
Total loans and leases evaluated for impairment	$ 19,033,146	$ 5,197,403	$ 8,689,902	$ 8,490,915	$ 5,830,609	$ 413,751	$ 47,655,726

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The following tables present by class the ending, unpaid principal balance, and the related ALLL, along with the average balance and interest income recognized only for loans and leases individually evaluated for impairment and purchased credit-impaired loans: (1), (2)

	June 30, 2015			Three Months Ended June 30, 2015		Six Months Ended June 30, 2015	
(dollar amounts in thousands)	Ending Balance	Unpaid Principal Balance (5)	Related Allowance	Average Balance	Interest Income Recognized	Average Balance	Interest Income Recognized
With no related allowance recorded:							
Commercial and industrial:							
Owner occupied	$ 44,108	$ 51,709	$ —	$21,025	$ 72	$16,645	$ 147
Purchased credit-impaired	—	—	—	—	—	—	—
Other commercial and industrial	85,281	110,447	—	71,905	498	56,728	836
Total commercial and industrial	$129,389	$162,156	$ —	$92,930	$ 570	$73,373	$ 983
Commercial real estate:							
Retail properties	$ 53,513	$ 83,484	$ —	$50,905	$ 463	$54,231	$ 959
Multi family	—	—	—	—	—	—	—
Office	29,004	33,955	—	11,515	86	6,597	117
Industrial and warehouse	—	—	—	—	—	263	7
Purchased credit-impaired	27,591	74,557	—	31,468	2,163	33,769	3,941
Other commercial real estate	2,319	3,334	—	1,838	16	3,096	62
Total commercial real estate	$112,427	$195,330	$ —	$95,726	$ 2,728	$97,956	$ 5,086
Automobile	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Home equity:							
Secured by first-lien	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Secured by junior-lien	—	—	—	—	—	—	—
Total home equity	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential mortgage:							
Residential mortgage	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Purchased credit-impaired	—	—	—	—	—	—	—
Total residential mortgage	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other consumer							
Other consumer	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Purchased credit-impaired	—	—	—	—	—	—	—
Total other consumer	$ —	$ —	$ —	$ —	$ —	$ —	$ —

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With an allowance recorded:							
Commercial and industrial: (3)							
Owner occupied	**$ 50,530**	**$ 57,310**	**$ 3,455**	**$ 59,605**	**$ 495**	**$ 55,448**	**$ 934**
Purchased credit-impaired	**20,122**	**29,969**	**696**	**20,750**	**1,577**	**21,576**	**2,874**
Other commercial and industrial	**222,606**	**228,512**	**12,115**	**183,095**	**1,339**	**61,833**	**1,086**
Total commercial and industrial	**$293,258**	**$315,791**	**$16,266**	**$263,450**	**$3,411**	**$138,857**	**$4,894**
Commercial real estate: (4)							
Retail properties	**$ 38,132**	**$ 39,601**	**$ 4,651**	**$ 44,213**	**$ 418**	**$ 42,312**	**$ 780**
Multi family	**15,921**	**17,690**	**2,444**	**16,200**	**184**	**15,884**	**354**
Office	**25,617**	**30,019**	**2,146**	**40,710**	**450**	**45,644**	**1,013**
Industrial and warehouse	**6,098**	**6,297**	**507**	**5,835**	**81**	**7,079**	**163**
Purchased credit-impaired	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Other commercial real estate	**25,989**	**32,728**	**3,537**	**29,405**	**335**	**29,254**	**689**
Total commercial real estate	**$111,757**	**$126,335**	**$13,285**	**$136,363**	**$1,468**	**$140,173**	**$2,999**
Automobile	**$ 28,805**	**$ 29,026**	**$ 1,471**	**$ 29,482**	**$ 544**	**$ 29,859**	**$1,105**
Home equity:							
Secured by first-lien	**$150,259**	**$155,467**	**$ 8,818**	**$148,892**	**$1,715**	**$147,783**	**$3,299**
Secured by junior-lien	**186,226**	**219,608**	**17,115**	**181,059**	**2,231**	**175,666**	**4,216**
Total home equity	**$336,485**	**$375,075**	**$25,933**	**$329,951**	**$3,946**	**$323,449**	**$7,515**
Residential mortgage (6):							
Residential mortgage	**$364,782**	**$407,126**	**$10,066**	**$369,245**	**$2,978**	**$369,356**	**$6,100**
Purchased credit-impaired	**2,040**	**3,017**	**258**	**2,104**	**4**	**2,040**	**7**
Total residential mortgage	**$366,822**	**$410,143**	**$10,324**	**$371,349**	**$2,982**	**$371,396**	**$6,107**
Other consumer:							
Other consumer	**$ 4,881**	**$ 4,881**	**$ 122**	**$ 4,963**	**$ 65**	**$ 4,671**	**$ 128**
Purchased credit-impaired	**51**	**114**	**7**	**51**	**160**	**51**	**291**
Total other consumer	**$ 4,932**	**$ 4,995**	**$ 129**	**$ 5,014**	**$ 225**	**$ 4,722**	**$ 419**

(dollar amounts in thousands)	December 31, 2014 Ending Balance	December 31, 2014 Unpaid Principal Balance (5)	December 31, 2014 Related Allowance	Three Months Ended June 30, 2014 Average Balance	Three Months Ended June 30, 2014 Interest Income Recognized	Six Months Ended June 30, 2014 Average Balance	Six Months Ended June 30, 2014 Interest Income Recognized
With no related allowance recorded:							
Commercial and industrial:							
Owner occupied	$ 13,536	$ 13,536	$ —	$ 3,680	$ 35	$ 4,293	$ 84
Purchased credit-impaired	—	—	—	—	—	—	—
Other commercial and industrial	24,309	26,858	—	7,558	89	7,584	186
Total commercial and industrial	$ 37,845	$ 40,394	$ —	$ 11,238	$ 124	$ 11,877	$ 270
Commercial real estate:							
Retail properties	$ 61,915	$ 91,627	$ —	$ 55,039	$ 632	$ 54,665	$ 1,237
Multi family	—	—	—	—	—	—	—
Office	1,130	3,574	—	2,394	40	4,400	229
Industrial and warehouse	3,447	3,506	—	5,114	68	7,100	176
Purchased credit-impaired	38,371	91,075	—	67,008	5,315	72,030	7,733
Other commercial real estate	6,608	6,815	—	6,849	79	6,338	136
Total commercial real estate	$111,471	$196,597	$ —	$136,404	$ 6,134	$144,533	$ 9,511
Automobile	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Home equity:							
Secured by first-lien	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Secured by junior-lien	—	—	—	—	—	—	—
Total home equity	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential mortgage:							
Residential mortgage	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Purchased credit-impaired	—	—	—	—	—	—	—
Total residential mortgage	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other consumer							
Other consumer	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Purchased credit-impaired	—	—	—	—	—	—	—
Total other consumer	$ —	$ —	$ —	$ —	$ —	$ —	$ —

With an allowance recorded:							
Commercial and industrial: (3)							
Owner occupied	$ 44,869	$ 53,639	$ 4,220	$ 40,748	$ 390	$ 39,796	$ 789
Purchased credit-impaired	23,228	35,307	3,846	35,887	3,282	35,767	4,775
Other commercial and industrial	134,279	162,908	6,829	78,200	688	64,840	1,279
Total commercial and industrial	$202,376	$251,854	$14,895	$154,835	$4,360	$140,403	$6,843
Commercial real estate: (4)							
Retail properties	$ 37,081	$ 38,397	$ 3,536	$ 64,092	$ 487	$ 66,349	$1,064
Multi family	17,277	23,725	2,339	17,024	164	15,827	315
Office	52,953	56,268	8,399	54,025	610	52,723	1,146
Industrial and warehouse	8,888	10,396	720	8,658	61	8,897	109
Purchased credit-impaired	—	—	—	—	—	—	—
Other commercial real estate	27,963	33,472	3,893	50,778	541	47,501	1,015
Total commercial real estate	$144,162	$162,258	$18,887	$194,577	$1,863	$191,297	$3,649
Automobile	$ 30,612	$ 32,483	$ 1,531	$ 34,594	$ 719	$ 35,424	$1,402
Home equity:							
Secured by first-lien	$145,566	$157,978	$ 8,296	$122,449	$1,371	$118,307	$2,610
Secured by junior-lien	164,880	208,118	17,731	123,839	1,547	115,545	2,861
Total home equity	$310,446	$366,096	$26,027	$246,288	$2,918	$233,852	$5,471
Residential mortgage (6):							
Residential mortgage	$369,577	$415,280	$16,535	$387,019	$2,984	$387,325	$5,848
Purchased credit-impaired	1,912	3,096	8	2,308	219	2,371	318
Total residential mortgage	$371,489	$418,376	$16,543	$389,327	$3,203	$389,696	$6,166
Other consumer:							
Other consumer	$ 4,088	$ 4,209	$ 214	$ 2,731	$ 60	$ 2,168	$ 93
Purchased credit-impaired	51	123	245	90	5	103	7
Total other consumer	$ 4,139	$ 4,332	$ 459	$ 2,821	$ 65	$ 2,271	$ 100

(1) These tables do not include loans fully charged-off.

(2) All automobile, home equity, residential mortgage, and other consumer impaired loans included in these tables are considered impaired due to their status as a TDR.

(3) At June 30, 2015, $75,749 thousand of the $293,258 thousand commercial and industrial loans with an allowance recorded were considered impaired due to their status as a TDR. At December 31, 2014, $62,737 thousand of the $202,376 thousand commercial and industrial loans with an allowance recorded were considered impaired due to their status as a TDR.

(4) At June 30, 2015, $28,457 thousand of the $111,757 thousand commercial real estate loans with an allowance recorded were considered impaired due to their status as a TDR. At December 31, 2014, $27,423 thousand of the $144,162 thousand commercial real estate loans with an allowance recorded were considered impaired due to their status as a TDR.

(5) The differences between the ending balance and unpaid principal balance amounts represent partial charge-offs.

(6) At June 30, 2015, $30,974 thousand of the $366,822 thousand residential mortgages loans with an allowance recorded were guaranteed by the U.S. government. At December 31, 2014, $24,470 thousand of the $371,489 thousand residential mortgage loans with an allowance recorded were guaranteed by the U.S. government.

TDR Loans

TDRs are modified loans where a concession was provided to a borrower experiencing financial difficulties. Loan modifications are considered TDRs when the concessions provided are not available to the borrower through either normal channels or other sources. However, not all loan modifications are TDRs.

TDR Concession Types

The Company's standards relating to loan modifications consider, among other factors, minimum verified income requirements, cash flow analyses, and collateral valuations. Each potential loan modification is reviewed individually and the terms of the loan are modified to meet a borrower's specific circumstances at a point in time. All commercial TDRs are reviewed and approved by our SAD. The types of concessions provided to borrowers include:

- Interest rate reduction: A reduction of the stated interest rate to a nonmarket rate for the remaining original life of the debt.
- Amortization or maturity date change beyond what the collateral supports, including any of the following:
  (1) Lengthens the amortization period of the amortized principal beyond market terms. This concession reduces the minimum monthly payment and could increase the amount of the balloon payment at the end of the term of the loan. Principal is generally not forgiven.
  (2) Reduces the amount of loan principal to be amortized and increases the amount of the balloon payment at the end of the term of the loan. This concession also reduces the minimum monthly payment. Principal is generally not forgiven.
  (3) Extends the maturity date or dates of the debt beyond what the collateral supports. This concession generally applies to loans without a balloon payment at the end of the term of the loan.
- Chapter 7 bankruptcy: A bankruptcy court's discharge of a borrower's debt is considered a concession when the borrower does not reaffirm the discharged debt.
- Other: A concession that is not categorized as one of the concessions described above. These concessions include, but are not limited to: principal forgiveness, collateral concessions, covenant concessions, and reduction of accrued interest.

Principal forgiveness may result from any TDR modification of any concession type. However, the aggregate amount of principal forgiven as a result of loans modified as TDRs during the three-month and six-month periods ended June 30, 2015 and 2014, was not significant.

Following is a description of TDRs by the different loan types:

Commercial loan TDRs – Commercial accruing TDRs often result from loans receiving a concession with terms that are not considered a market transaction to Huntington. The TDR remains in accruing status as long as the customer is less than 90-days past due on payments per the restructured loan terms and no loss is expected.

Commercial nonaccrual TDRs result from either: (1) an accruing commercial TDR being placed on nonaccrual status, or (2) a workout where an existing commercial NAL is restructured and a concession is given. At times, these workouts restructure the NAL so that two or more new notes are created. The primary note is underwritten based upon our normal underwriting standards and is sized so projected cash flows are sufficient to repay contractual principal and interest. The terms on the secondary note(s) vary by situation, and may include notes that defer principal and interest payments until after the primary note is repaid. Creating two or more notes often allows the borrower to continue a project or weather a temporary economic downturn and allows Huntington to right-size a loan based upon the current expectations for a borrower's or project's performance.

Our strategy involving TDR borrowers includes working with these borrowers to allow them to refinance elsewhere, as well as allow them time to improve their financial position and remain our customer through refinancing their notes according to market terms and conditions in the future. A subsequent refinancing or modification of a loan may occur when either the loan matures according to the terms of the TDR-modified agreement or the borrower requests a change to the loan agreements. At that time, the loan is evaluated to determine if it is creditworthy. It is subjected to the normal underwriting standards and processes for other similar credit extensions, both new and existing. The refinanced note is evaluated to determine if it is considered a new loan or a continuation of the prior loan. A new loan is considered for removal of the TDR designation, whereas a continuation of the prior note requires a continuation of the TDR designation. In order for a TDR designation to be removed, the borrower must no longer be experiencing financial difficulties and the terms of the refinanced loan must not represent a concession.

Residential Mortgage loan TDRs – Residential mortgage TDRs represent loan modifications associated with traditional first-lien mortgage loans in which a concession has been provided to the borrower. The primary concessions given to residential mortgage borrowers are amortization or maturity date changes and interest rate reductions. Residential mortgages identified as TDRs involve borrowers unable to refinance their mortgages through the Company's normal mortgage origination channels or through other independent sources. Some, but not all, of the loans may be delinquent.

Automobile, Home Equity, and Other Consumer loan TDRs – The Company may make similar interest rate, term, and principal concessions as with residential mortgage loan TDRs.

TDR Impact on Credit Quality

Huntington's ALLL is largely determined by updated risk ratings assigned to commercial loans, updated borrower credit scores on consumer loans, and borrower delinquency history in both the commercial and consumer portfolios. These updated risk ratings and credit scores consider the default history of the borrower, including payment redefaults. As such, the provision for credit losses is impacted primarily by changes in borrower payment performance rather than the TDR classification. TDRs can be classified as either accrual or nonaccrual loans. Nonaccrual TDRs are included in NALs whereas accruing TDRs are excluded from NALs as it is probable that all contractual principal and interest due under the restructured terms will be collected.

Our TDRs may include multiple concessions and the disclosure classifications are presented based on the primary concession provided to the borrower. The majority of our concessions for the C&I and CRE portfolios are the extension of the maturity date, but could also include an increase in the interest rate. In these instances, the primary concession is the maturity date extension.

TDR concessions may also result in the reduction of the ALLL within the C&I and CRE portfolios. This reduction is derived from payments and the resulting application of the reserve calculation within the ALLL. The transaction reserve for non-TDR C&I and CRE loans is calculated based upon several estimated probability factors, such as PD and LGD, both of which were previously discussed. Upon the occurrence of a TDR in our C&I and CRE portfolios, the reserve is measured based on discounted expected cash flows or collateral value, less anticipated selling costs, of the modified loan in accordance with ASC 310-10. The resulting TDR ALLL calculation often results in a lower ALLL amount because (1) the discounted expected cash flows or collateral value, less anticipated selling costs, indicate a lower estimated loss, (2) if the modification includes a rate increase, the discounting of the cash flows on the modified loan, using the pre-modification interest rate, exceeds the carrying value of the loan, or (3) payments may occur as part of the modification. The ALLL for C&I and CRE loans may increase as a result of the modification, as the discounted cash flow analysis may indicate additional reserves are required.

TDR concessions on consumer loans may increase the ALLL. The concessions made to these borrowers often include interest rate reductions, and therefore, the TDR ALLL calculation results in a greater ALLL compared with the non-TDR calculation as the reserve is measured based on the estimation of the discounted expected cash flows or collateral value, less anticipated selling costs, on the modified loan in accordance with ASC 310-10. The resulting TDR ALLL calculation often results in a higher ALLL amount because (1) the discounted expected cash flows or collateral value, less anticipated selling costs, indicate a higher estimated loss or, (2) due to the rate decrease, the discounting of the cash flows on the modified loan, using the pre-modification interest rate, indicates a reduction in the expected cash flows or collateral value, less anticipated selling costs. In certain instances, the ALLL may decrease as a result of payments made in connection with the modification.

Commercial loan TDRs – In instances where the bank substantiates that it will collect its outstanding balance in full, the note is considered for return to accrual status upon the borrower sustaining sufficient cash flows for a six-month period of time. This six-month period could extend before or after the restructure date. If a charge-off was taken as part of the restructuring, any interest or principal payments received on that note are applied to first reduce the bank's outstanding book balance and then to recoveries of charged-off principal, unpaid interest, and/or fee expenses while the TDR is in nonaccrual status.

Residential Mortgage, Automobile, Home Equity, and Other Consumer loan TDRs– Modified loans identified as TDRs are aggregated into pools for analysis. Cash flows and weighted average interest rates are used to calculate impairment at the pooled-loan level. Once the loans are aggregated into the pool, they continue to be classified as TDRs until contractually repaid or charged-off.

Residential mortgage loans not guaranteed by a U.S. government agency such as the FHA, VA, and the USDA, including TDR loans, are reported as accrual or nonaccrual based upon delinquency status. Nonaccrual TDRs are those that are greater than 150-days contractually past due. Loans guaranteed by U.S. government organizations continue to accrue interest upon delinquency.

The following tables present by class and by the reason for the modification, the number of contracts, post-modification outstanding balance, and the financial effects of the modification for the three-month and six-month periods ended June 30, 2015 and 2014:

	New Troubled Debt Restructurings During The Three-Month Period Ended (1)					
	June 30, 2015			June 30, 2014		
(dollar amounts in thousands)	Number of Contracts	Post-modification Outstanding Ending Balance	Financial effects of modification (2)	Number of Contracts	Post-modification Outstanding Ending Balance	Financial effects of modification (2)
C&I—Owner occupied:						
Interest rate reduction	**2**	**$ 189**	**$ (1)**	9	$ 857	$ 21
Amortization or maturity date change	**55**	**36,506**	**(1,928)**	19	3,728	(66)
Other	**—**	**—**	**—**	2	976	(34)
Total C&I—Owner occupied	**57**	**$ 36,695**	**$ (1,929)**	30	$ 5,561	$ (79)
C&I—Other commercial and industrial:						
Interest rate reduction	**4**	**$ 405**	**$ 10**	9	$ 17,487	$ (1,774)
Amortization or maturity date change	**153**	**155,849**	**(8,415)**	55	20,780	(579)
Other	**1**	**124**	**—**	6	2,304	(92)
Total C&I—Other commercial and industrial	**158**	**$ 156,378**	**$ (8,405)**	70	$ 40,571	$ (2,445)
CRE—Retail properties:						
Interest rate reduction	**—**	**$ —**	**$ —**	—	$ —	$ —
Amortization or maturity date change	**1**	**6,396**	**(1,334)**	5	9,911	(233)
Other	**—**	**—**	**—**	3	3,868	56
Total CRE—Retail properties	**1**	**$ 6,396**	**$ (1,334)**	8	$ 13,779	$ (177)
CRE—Multi family:						
Interest rate reduction	**1**	**$ 90**	**$ —**	1	$ 95	$ —
Amortization or maturity date change	**11**	**5,191**	**(28)**	7	177	(2)
Other	**8**	**216**	**(6)**	2	3,976	62
Total CRE—Multi family	**20**	**$ 5,497**	**$ (34)**	10	$ 4,248	$ 60
CRE—Office:						
Interest rate reduction	**—**	**$ —**	**$ —**	—	$ —	$ —
Amortization or maturity date change	**7**	**4,988**	**103**	6	6,084	(360)
Other	**1**	**30**	**(2)**	3	14,127	(3,482)
Total CRE—Office	8	$ 5,018	$ 101	9	$ 20,211	$ (3,842)
CRE—Industrial and warehouse:						
Interest rate reduction	**—**	**$ —**	**$ —**	—	$ —	$ —
Amortization or maturity date change	**4**	**2,160**	**91**	2	2,384	216
Other	**—**	**—**	**—**	—	—	—
Total CRE—Industrial and Warehouse	**4**	**$ 2,160**	**$ 91**	2	$ 2,384	$ 216

CRE—Other commercial real estate:						
Interest rate reduction	**—**	**$ —**	**$ —**	1	$ 715	$ 44
Amortization or maturity date change	**10**	**4,072**	**16**	23	26,469	(2,900)
Other	**1**	**82**	**(22)**	—	—	—
Total CRE—Other commercial real estate	**11**	**$ 4,154**	**$ (6)**	24	$ 27,184	$(2,856)
Automobile:						
Interest rate reduction	**12**	**$ 23**	**$ 1**	47	$ 426	$ 8
Amortization or maturity date change	**316**	**2,132**	**96**	963	5,878	35
Chapter 7 bankruptcy	**146**	**1,138**	**61**	138	1,010	(15)
Other	**—**	**—**	**—**	—	—	—
Total Automobile	**474**	**$ 3,293**	**$ 158**	1,148	$ 7,314	$ 28
Residential mortgage:						
Interest rate reduction	**4**	**$ 261**	**$ (52)**	7	$ 1,445	$ (42)
Amortization or maturity date change	**70**	**9,416**	**(74)**	149	23,284	452
Chapter 7 bankruptcy	**35**	**2,884**	**(7)**	32	3,484	93
Other	**—**	**—**	**—**	2	194	5
Total Residential mortgage	**109**	**$ 12,561**	**$ (133)**	190	$ 28,407	$ 508
First-lien home equity:						
Interest rate reduction	**11**	**$ 1,160**	**$ 42**	45	$ 4,158	$ 413
Amortization or maturity date change	**65**	**6,432**	**(325)**	95	8,574	95
Chapter 7 bankruptcy	**22**	**1,270**	**54**	22	1,032	97
Other	**—**	**—**	**—**	—	—	—
Total First-lien home equity	**98**	**$ 8,862**	**$ (229)**	162	$ 13,764	$ 605
Junior-lien home equity:						
Interest rate reduction	**4**	**$ 98**	**$ 6**	81	$ 2,955	$ 220
Amortization or maturity date change	**419**	**18,077**	**(2,615)**	392	15,425	(1,740)
Chapter 7 bankruptcy	**57**	**650**	**1,358**	44	688	902
Other	**—**	**—**	**—**	—	—	—
Total Junior-lien home equity	**480**	**$ 18,825**	**$ (1,251)**	517	$ 19,068	$ (618)
Other consumer:						
Interest rate reduction	**—**	**$ —**	**$ —**	—	$ —	$ —
Amortization or maturity date change	**2**	**33**	**2**	26	1,115	(22)
Chapter 7 bankruptcy	**3**	**39**	**8**	16	418	(50)
Other	**—**	**—**	**—**	—	—	—
Total Other consumer	**5**	**$ 72**	**$ 10**	42	$ 1,533	$ (72)
Total new troubled debt restructurings	**1,425**	**$259,911**	**$(12,961)**	2,212	$184,024	$(8,672)

(1) TDRs may include multiple concessions and the disclosure classifications are based on the primary concession provided to the borrower.
(2) Amounts represent the financial impact via provision for loan and lease losses as a result of the modification.

(dollar amounts in thousands)	New Troubled Debt Restructurings During The Six-Month Period Ended (1)					
	June 30, 2015			June 30, 2014		
	Number of Contracts	Post-modification Outstanding Ending Balance	Financial effects of modification (2)	Number of Contracts	Post-modification Outstanding Ending Balance	Financial effects of modification (2)
C&I—Owner occupied:						
Interest rate reduction	**3**	**$ 235**	**$ (2)**	15	$ 1,781	$ 21
Amortization or maturity date change	**101**	**46,966**	**(2,102)**	37	8,337	(62)
Other	**3**	**613**	**(29)**	4	1,816	(35)
Total C&I—Owner occupied	**107**	**$ 47,814**	**$ (2,133)**	56	$ 11,934	$ (76)
C&I—Other commercial and industrial:						
Interest rate reduction	**5**	**$ 435**	**$ 9**	19	$ 45,481	$ (1,921)
Amortization or maturity date change	**270**	**236,226**	**(7,601)**	109	53,380	358
Other	**6**	**28,512**	**(430)**	10	6,670	(68)
Total C&I—Other commercial and industrial	**281**	**$ 265,173**	**$ (8,022)**	138	$ 105,531	$ (1,631)
CRE—Retail properties:						
Interest rate reduction	**1**	**$ 1,657**	**$ (11)**	3	$ 11,105	$ 421
Amortization or maturity date change	**12**	**10,973**	**(1,533)**	10	22,149	(181)
Other	**—**	**—**	**—**	9	13,765	(35)
Total CRE—Retail properties	**13**	**$ 12,630**	**$ (1,544)**	22	$ 47,019	$ 205
CRE—Multi family:						
Interest rate reduction	**1**	**$ 90**	**$ —**	11	$ 740	$ —
Amortization or maturity date change	**30**	**10,236**	**(29)**	11	380	(2)
Other	**8**	**216**	**(6)**	4	4,299	62
Total CRE—Multi family	**39**	**$ 10,542**	**$ (35)**	26	$ 5,419	$ 60
CRE—Office:						
Interest rate reduction	—	**$ —**	**$ —**	2	$ 120	$ (1)
Amortization or maturity date change	**12**	**31,073**	**72**	10	9,216	(360)
Other	**1**	**30**	**(2)**	4	24,911	(3,482)
Total CRE—Office	13	$ 31,103	$ 70	16	$ 34,247	$ (3,843)
CRE—Industrial and warehouse:						
Interest rate reduction	**—**	**$ —**	**$ —**	2	$ 4,046	$ —
Amortization or maturity date change	**5**	**2,386**	**91**	5	3,557	212
Other	**—**	**—**	**—**	1	977	—
Total CRE—Industrial and Warehouse	**5**	**$ 2,386**	**$ 91**	8	$ 8,580	$ 212

CRE—Other commercial real estate:						
Interest rate reduction	**—**	**$ —**	**$ —**	5	$ 5,019	$ 51
Amortization or maturity date change	**17**	**7,731**	**27**	44	73,005	(2,775)
Other	**2**	**234**	**(22)**	2	928	(1)
Total CRE—Other commercial real estate	**19**	**$ 7,965**	**$ 5**	51	$ 78,952	$(2,725)
Automobile:						
Interest rate reduction	**25**	**$ 42**	**$ 2**	48	$ 428	$ 8
Amortization or maturity date change	**812**	**5,484**	**254**	1,169	7,227	27
Chapter 7 bankruptcy	**290**	**2,361**	**161**	318	2,371	(41)
Other	**—**	**—**	**—**	—	—	—
Total Automobile	**1,127**	**$ 7,887**	**$ 417**	1,535	$ 10,026	$ (6)
Residential mortgage:						
Interest rate reduction	**9**	**$ 737**	**$ (56)**	15	$ 2,233	$ (24)
Amortization or maturity date change	**193**	**23,274**	**(195)**	217	31,302	555
Chapter 7 bankruptcy	**69**	**7,060**	**(131)**	117	12,491	375
Other	**6**	**708**	**—**	3	299	5
Total Residential mortgage	**277**	**$ 31,779**	**$ (382)**	352	$ 46,325	$ 911
First-lien home equity:						
Interest rate reduction	**21**	**$ 2,579**	**$ 68**	95	$ 7,966	$ 604
Amortization or maturity date change	**114**	**10,043**	**(628)**	135	11,164	(331)
Chapter 7 bankruptcy	**48**	**2,855**	**134**	43	2,422	100
Other	**—**	**—**	**—**	—	—	—
Total First-lien home equity	**183**	**$ 15,477**	**$ (426)**	273	$ 21,552	$ 373
Junior-lien home equity:						
Interest rate reduction	**8**	**$ 349**	**$ 21**	168	$ 5,822	$ 170
Amortization or maturity date change	**766**	**34,584**	**(551)**	633	25,085	(3,592)
Chapter 7 bankruptcy	**108**	**1,425**	**2,245**	103	1,613	1,438
Other	**—**	**—**	**—**	—	—	—
Total Junior-lien home equity	**882**	**$ 36,358**	**$ 1,715**	904	$ 32,520	$(1,984)
Other consumer:						
Interest rate reduction	**—**	**$ —**	**$ —**	—	$ —	$ —
Amortization or maturity date change	**6**	**128**	**6**	30	1,135	(22)
Chapter 7 bankruptcy	**5**	**45**	**9**	19	441	(51)
Other	**—**	**—**	**—**	—	—	—
Total Other consumer	**11**	**$ 173**	**$ 15**	49	$ 1,576	$ (73)
Total new troubled debt restructurings	**2,957**	**$469,287**	**$(10,229)**	3,430	$403,681	$(8,577)

(1) TDRs may include multiple concessions and the disclosure classifications are based on the primary concession provided to the borrower.
(2) Amount represents the financial impact via provision for loan and lease losses as a result of the modification.

Any loan within any portfolio or class is considered to be in payment redefault at 90-days past due.

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The following tables present TDRs that have defaulted within one year of modification during the three-month and six-month periods ended June 30, 2015 and 2014:

	Troubled Debt Restructurings That Have Redefaulted (1) Within One Year Of Modification During The Three Months Ended			
	June 30, 2015		June 30, 2014	
(dollar amounts in thousands)	Number of Contracts	Ending Balance	Number of Contracts	Ending Balance
C&I—Owner occupied:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**2**	**423**	2	400
Other	**—**	**—**	—	—
Total C&I—Owner occupied	**2**	**$ 423**	2	$ 400
C&I—Other commercial and industrial:				
Interest rate reduction	**1**	**$ 27**	—	$ —
Amortization or maturity date change	**8**	**1,572**	3	720
Other	**—**	**—**	—	—
Total C&I—Other commercial and industrial	**9**	**$ 1,599**	3	$ 720
CRE—Retail Properties:				
Interest rate reduction	**1**	**$ 47**	—	$ —
Amortization or maturity date change	**—**	**—**	—	—
Other	**—**	**—**	—	—
Total CRE—Retail properties	**1**	**$ 47**	—	$ —
CRE—Multi family:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**5**	**142**	1	212
Other	**—**	**—**	—	—
Total CRE—Multi family	**5**	**$ 142**	1	$ 212
CRE—Office:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**1**	**392**	1	493
Other	**—**	**—**	—	—
Total CRE—Office	**1**	**$ 392**	1	$ 493
CRE—Industrial and Warehouse:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**—**	**—**	—	—
Other	**—**	**—**	—	—
Total CRE—Industrial and Warehouse	**—**	**$ —**	—	$ —
CRE—Other commercial real estate:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**—**	**—**	—	—
Other	**—**	**—**	—	—
Total CRE—Other commercial real estate	**—**	**$ —**	—	$ —

Automobile:				
Interest rate reduction	**1**	**$ 4**	—	$ —
Amortization or maturity date change	**6**	**89**	7	78
Chapter 7 bankruptcy	**7**	**73**	24	161
Other	**—**	**—**	—	—
Total Automobile	**14**	**$ 166**	31	$ 239
Residential mortgage:				
Interest rate reduction	**—**	**$ —**	1	$ 220
Amortization or maturity date change	**10**	**825**	15	1,596
Chapter 7 bankruptcy	**2**	**139**	8	433
Other	**—**	**—**	—	—
Total Residential mortgage	**12**	**$ 964**	24	$2,249
First-lien home equity:				
Interest rate reduction	**—**	**$ —**	1	$ 50
Amortization or maturity date change	**2**	**180**	4	315
Chapter 7 bankruptcy	**4**	**203**	5	399
Other	**—**	**—**	—	—
Total First-lien home equity	**6**	**$ 383**	10	$ 764
Junior-lien home equity:				
Interest rate reduction	**1**	**$ 160**	—	$ —
Amortization or maturity date change	**8**	**339**	8	368
Chapter 7 bankruptcy	**3**	**187**	6	26
Other	**—**	**—**	—	—
Total Junior-lien home equity	**12**	**$ 686**	14	$ 394
Other consumer:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**—**	**—**	—	—
Chapter 7 bankruptcy	**—**	**—**	—	—
Other	**—**	**—**	—	—
Total Other consumer	**—**	**$ —**	—	$ —
Total troubled debt restructurings with subsequent redefault	**62**	**$4,802**	86	$5,471

(1) Subsequent redefault is defined as a payment redefault within 12 months of the restructuring date. Payment redefault is defined as 90-days past due for any loan within any portfolio or class. Any loan may be considered to be in payment redefault prior to the guidelines noted above when collection of principal or interest is in doubt.

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(dollar amounts in thousands)	Troubled Debt Restructurings That Have Redefaulted (1) Within One Year of Modification During The Six Months Ended June 30, 2015		June 30, 2014	
	Number of Contracts	Ending Balance	Number of Contracts	Ending Balance
C&I—Owner occupied:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**3**	**572**	2	400
Other	**—**	**—**	1	230
Total C&I—Owner occupied	**3**	**$ 572**	3	$ 630
C&I—Other commercial and industrial:				
Interest rate reduction	**1**	**$ 27**	—	$ —
Amortization or maturity date change	**10**	**1,686**	7	1,044
Other	**—**	**—**	—	—
Total C&I—Other commercial and industrial	**11**	**$ 1,713**	7	$ 1,044
CRE—Retail Properties:				
Interest rate reduction	**1**	**$ 47**	—	$ —
Amortization or maturity date change	**1**	**6,482**	—	—
Other	**—**	**—**	—	—
Total CRE—Retail properties	**2**	**$ 6,529**	—	$ —
CRE—Multi family:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**8**	**911**	1	212
Other	**—**	**—**	—	—
Total CRE—Multi family	**8**	**$ 911**	1	$ 212
CRE—Office:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**2**	**1,388**	1	493
Other	**—**	**—**	—	—
Total CRE—Office	**2**	**$ 1,388**	1	$ 493
CRE—Industrial and Warehouse:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**—**	**—**	—	—
Other	**—**	**—**	—	—
Total CRE—Industrial and Warehouse	**—**	**$ —**	—	$ —
CRE—Other commercial real estate:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**—**	**—**	1	561
Other	**—**	**—**	—	—
Total CRE—Other commercial real estate	**—**	**$ —**	1	$ 561

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Automobile:				
Interest rate reduction	**1**	**$ 4**	—	$ —
Amortization or maturity date change	**12**	**199**	26	182
Chapter 7 bankruptcy	**14**	**123**	37	231
Other	**—**	**—**	—	—
Total Automobile	**27**	**$ 326**	63	$ 413
Residential mortgage:				
Interest rate reduction	**1**	**$ 61**	3	$ 350
Amortization or maturity date change	**26**	**2,601**	44	5,054
Chapter 7 bankruptcy	**4**	**389**	23	1,945
Other	**—**	**—**	—	—
Total Residential mortgage	**31**	**$ 3,051**	70	$ 7,349
First-lien home equity:				
Interest rate reduction	**1**	**$ 155**	2	$ 163
Amortization or maturity date change	**4**	**258**	8	930
Chapter 7 bankruptcy	**23**	**1,926**	8	600
Other	**—**	**—**	—	—
Total First-lien home equity	**28**	**$ 2,339**	18	$ 1,693
Junior-lien home equity:				
Interest rate reduction	**2**	**$ 197**	—	$ —
Amortization or maturity date change	**20**	**798**	14	698
Chapter 7 bankruptcy	**12**	**401**	22	596
Other	**—**	**—**	—	—
Total Junior-lien home equity	**34**	**$ 1,396**	36	$ 1,294
Other consumer:				
Interest rate reduction	**—**	**$ —**	—	$ —
Amortization or maturity date change	**—**	**—**	—	—
Chapter 7 bankruptcy	**—**	**—**	—	—
Other	**—**	**—**	—	—
Total Other consumer	**—**	**$ —**	—	$ —
Total troubled debt restructurings with subsequent redefault	**146**	**$18,225**	200	$13,689

(1) Subsequent redefault is defined as a payment redefault within 12 months of the restructuring date. Payment redefault is defined as 90-days past due for any loan in any portfolio or class. Any loan in any portfolio or class may be considered to be in payment redefault prior to the guidelines noted above when collection of principal or interest is in doubt.

Pledged Loans and Leases

At June 30, 2015, the Bank has access to the Federal Reserve's discount window and advances from the FHLB – Cincinnati. As of June 30, 2015, these borrowings and advances are secured by $17.2 billion of loans and securities.

On March 31, 2015, Huntington completed its acquisition of Macquarie Equipment Finance, which we have re-branded Huntington Technology Finance (HTF). Huntington assumed debt associated with two securitizations. As of June 30, 2015, the debt is secured by $260.4 million of leases held by the trusts.

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4. AVAILABLE-FOR-SALE AND OTHER SECURITIES

Listed below are the contractual maturities (under 1 year, 1-5 years, 6-10 years, and over 10 years) of available-for-sale and other securities at June 30, 2015 and December 31, 2014:

	June 30, 2015		December 31, 2014	
(dollar amounts in thousands)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
U.S. Treasury:				
Under 1 year	**$ 7,083**	**$ 7,085**	$ —	$ —
1-5 years	**5,446**	**5,515**	5,435	5,452
6-10 years	**—**	**—**	—	—
Over 10 years	**—**	**—**	—	—
Total U.S. Treasury	**12,529**	**12,600**	5,435	5,452
Federal agencies: mortgage-backed securities:				
Under 1 year	**32,515**	**32,602**	47,023	47,190
1-5 years	**201,594**	**204,837**	216,775	221,078
6-10 years	**228,390**	**232,017**	184,576	186,938
Over 10 years	**5,647,118**	**5,691,814**	4,825,525	4,867,495
Total Federal agencies: mortgage-backed securities	**6,109,617**	**6,161,270**	5,273,899	5,322,701
Other agencies:				
Under 1 year	**1,703**	**1,710**	33,047	33,237
1-5 years	**8,265**	**8,693**	9,122	9,575
6-10 years	**152,433**	**155,589**	103,530	105,019
Over 10 years	**161,679**	**163,192**	204,016	203,712
Total other agencies	**324,080**	**329,184**	349,715	351,543
Total U.S. Treasury, Federal agency, and other agency securities	**6,446,226**	**6,503,054**	5,629,049	5,679,696
Municipal securities:				
Under 1 year	**252,645**	**244,911**	256,399	255,835
1-5 years	**389,879**	**391,985**	269,385	274,003
6-10 years	**997,694**	**1,006,042**	938,780	945,954
Over 10 years	**453,343**	**475,428**	376,747	392,777
Total municipal securities	**2,093,561**	**2,118,366**	1,841,311	1,868,569
Private-label CMO:				
Under 1 year	**—**	**—**	—	—
1-5 years	**1,065**	**1,109**	—	—
6-10 years	**—**	**—**	1,314	1,371
Over 10 years	**38,217**	**36,895**	42,416	40,555
Total private-label CMO	**39,282**	**38,004**	43,730	41,926
Asset-backed securities:				
Under 1 year	**—**	**—**	—	—
1-5 years	**146,428**	**146,936**	228,852	229,364
6-10 years	**128,509**	**128,725**	144,163	144,193
Over 10 years	**552,443**	**515,656**	641,984	582,441
Total asset-backed securities	**827,380**	**791,317**	1,014,999	955,998
Corporate debt:				
Under 1 year	**29,986**	**29,990**	18,767	18,953
1-5 years	**308,150**	**315,987**	314,773	323,503
6-10 years	**109,769**	**108,607**	145,611	143,720
Over 10 years	**—**	**—**	—	—
Total corporate debt	**447,905**	**454,584**	479,151	486,176
Other:				
Under 1 year	**—**	**—**	250	250
1-5 years	**3,950**	**3,897**	3,150	3,066
6-10 years	**—**	**—**	—	—
Over 10 years	**—**	**—**	—	—
Non-marketable equity securities	**332,095**	**332,095**	331,559	331,559
Mutual funds	**11,823**	**11,823**	16,151	16,161
Marketable equity securities	**962**	**1,731**	536	1,269
Total other	**348,830**	**349,546**	351,646	352,305
Total available-for-sale and other securities	**$10,203,184**	**$10,254,871**	$9,359,886	$9,384,670

Non-marketable equity securities at June 30, 2015 and December 31, 2014 include $157.0 million of stock issued by the FHLB of Cincinnati, and $174.4 million and $174.5 million, respectively, of Federal Reserve Bank stock. Non-marketable equity securities are recorded at amortized cost.

The following tables provide amortized cost, fair value, and gross unrealized gains and losses recognized in OCI by investment category at June 30, 2015 and December 31, 2014:

(dollar amounts in thousands)	Amortized Cost	Unrealized Gross Gains	Unrealized Gross Losses	Fair Value
June 30, 2015				
U.S. Treasury	**$ 12,529**	**$ 71**	**$ —**	**$ 12,600**
Federal agencies:				
Mortgage-backed securities	**6,109,617**	**68,308**	**(16,655)**	**6,161,270**
Other agencies	**324,080**	**5,121**	**(17)**	**329,184**
Total U.S. Treasury, Federal agency securities	**6,446,226**	**73,500**	**(16,672)**	**6,503,054**
Municipal securities	**2,093,561**	**44,281**	**(19,476)**	**2,118,366**
Private-label CMO	**39,282**	**1,133**	**(2,411)**	**38,004**
Asset-backed securities	**827,380**	**1,946**	**(38,009)**	**791,317**
Corporate debt	**447,905**	**8,292**	**(1,613)**	**454,584**
Other securities	**348,830**	**769**	**(53)**	**349,546**
Total available-for-sale and other securities	**$ 10,203,184**	**$ 129,921**	**$ (78,234)**	**$ 10,254,871**

(dollar amounts in thousands)	Amortized Cost	Unrealized Gross Gains	Unrealized Gross Losses	Fair Value
December 31, 2014				
U.S. Treasury	$ 5,435	$ 17	$ —	$ 5,452
Federal agencies:				
Mortgage-backed securities	5,273,899	63,906	(15,104)	5,322,701
Other agencies	349,715	2,871	(1,043)	351,543
Total U.S. Treasury, Federal agency securities	5,629,049	66,794	(16,147)	5,679,696
Municipal securities	1,841,311	37,398	(10,140)	1,868,569
Private-label CMO	43,730	1,116	(2,920)	41,926
Asset-backed securities	1,014,999	2,061	(61,062)	955,998
Corporate debt	479,151	9,442	(2,417)	486,176
Other securities	351,646	743	(84)	352,305
Total available-for-sale and other securities	$ 9,359,886	$ 117,554	$ (92,770)	$ 9,384,670

At June 30, 2015, the carrying value of investment securities pledged to secure public and trust deposits, trading account liabilities, U.S. Treasury demand notes, and security repurchase agreements totaled $3.4 billion. There were no securities of a single issuer, which are not governmental or government-sponsored, that exceeded 10% of shareholders' equity at June 30, 2015.

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The following tables provide detail on investment securities with unrealized losses aggregated by investment category and the length of time the individual securities have been in a continuous loss position, at June 30, 2015 and December 31, 2014:

	Less than 12 Months		Over 12 Months		Total	
(dollar amounts in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
June 30, 2015						
Federal agencies:						
Mortgage-backed securities	**1,165,377**	**(6,575)**	**284,316**	**(10,080)**	**1,449,693**	**(16,655)**
Other agencies	**1,484**	**(17)**	**—**	**—**	**1,484**	**(17)**
Total Federal agency securities	**1,166,861**	**(6,592)**	**284,316**	**(10,080)**	**1,451,177**	**(16,672)**
Municipal securities	**521,393**	**(15,835)**	**231,486**	**(3,641)**	**752,879**	**(19,476)**
Private-label CMO	**—**	**—**	**22,246**	**(2,411)**	**22,246**	**(2,411)**
Asset-backed securities	**234,815**	**(1,490)**	**259,598**	**(36,519)**	**494,413**	**(38,009)**
Corporate debt	**90,201**	**(580)**	**21,677**	**(1,033)**	**111,878**	**(1,613)**
Other securities	**765**	**(35)**	**1,483**	**(18)**	**2,248**	**(53)**
Total temporarily impaired securities	**$2,014,035**	**$(24,532)**	**$ 820,806**	**$(53,702)**	**$2,834,841**	**$(78,234)**

	Less than 12 Months		Over 12 Months		Total	
(dollar amounts in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2014						
Federal agencies:						
Mortgage-backed securities	501,858	(1,909)	527,280	(13,195)	1,029,138	(15,104)
Other agencies	159,708	(1,020)	1,281	(23)	160,989	(1,043)
Total Federal agency securities	661,566	(2,929)	528,561	(13,218)	1,190,127	(16,147)
Municipal securities	568,619	(9,127)	96,426	(1,013)	665,045	(10,140)
Private-label CMO	—	—	22,650	(2,920)	22,650	(2,920)
Asset-backed securities	157,613	(641)	325,691	(60,421)	483,304	(61,062)
Corporate debt	49,562	(252)	88,398	(2,165)	137,960	(2,417)
Other securities	—	—	1,416	(84)	1,416	(84)
Total temporarily impaired securities	$1,437,360	$(12,949)	$1,063,142	$(79,821)	$2,500,502	$(92,770)

The following table is a summary of realized securities gains and losses for the three-month and six-month periods ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Gross gains on sales of securities	**$ 82**	$ 490	**$ 82**	$17,480
Gross (losses) on sales of securities	**—**	—	**—**	(20)
Net gain on sales of securities	**$ 82**	$ 490	**$ 82**	$17,460

Security Impairment

Huntington evaluates the available-for-sale securities portfolio on a quarterly basis for impairment. We conduct a comprehensive security-level assessment on all available-for-sale securities. Impairment would exist when the present value of the expected cash flows are not sufficient to recover the entire amortized cost basis at the balance sheet date. Under these circumstances, any impairment would be recognized in earnings. The contractual terms and / or cash flows of the investments do not permit the issuer to settle the securities at a price less than the amortized cost. Huntington does not intend to sell, nor does it believe it will be required to sell these securities until the amortized cost is recovered, which may be maturity. As of June 30, 2015, Management has evaluated available-for-sale securities with unrealized losses for impairment and concluded no OTTI is required. For the three-month and six-month periods ended June 30, 2015 and 2014, there were no OTTI losses recognized in the Unaudited Condensed Consolidated Statements of Income for securities evaluated for impairment as described above. The OTTI recognized in accumulated other comprehensive income on debt securities held by Huntington at June 30, 2015 and 2014 is $30.9 million.

The highest risk segments of our investment portfolio are the trust preferred CDO and 2003-2006 vintage private-label CMO portfolios. The CDOs are in the asset-backed securities portfolio. These segments are in run off, and we have not purchased these types of securities since 2008. The fair values of the private label CMO and CDO assets have been impacted by various market conditions. The unrealized losses are primarily the result of wider liquidity spreads on asset-backed securities and increased market volatility on non-agency mortgage that are collateralized by certain mortgage loans. In addition, the expected average lives of the asset-backed securities backed by trust-preferred securities have been extended, due to changes in the expectations of when the underlying securities would be repaid.

Private-label CMO securities are collateralized by first-lien residential mortgage loans. Of the $38.0 million of the private-label CMO securities reported at fair value at June 30, 2015, approximately $20.4 million are rated below investment grade. The securities are valued by a third party pricing specialist using a discounted cash flow approach and proprietary pricing model. The model uses inputs such as estimated prepayment speeds, losses, recoveries, default rates that are implied by the underlying performance of collateral in the structure or similar structures, discount rates that are implied by market prices for similar securities, collateral structure types, and house price depreciation / appreciation rates that are based upon macroeconomic forecasts.

Collateralized Debt Obligations are backed by a pool of debt securities issued by financial institutions. The collateral generally consists of trust-preferred securities and subordinated debt securities issued by banks, bank holding companies, and insurance companies. Many collateral issuers have the option of deferring interest payments on their debt for up to five years. A full cash flow analysis is used to estimate fair values and assess impairment for each security within this portfolio. A third party pricing specialist with direct industry experience in pooled-trust-preferred security evaluations is engaged to provide assistance estimating the fair value and expected cash flows on this portfolio. The full cash flow analysis is completed by evaluating the relevant credit and structural aspects of each pooled-trust-preferred security in the portfolio, including collateral performance projections for each piece of collateral in the security and terms of the security’s structure. The credit review includes an analysis of profitability, credit quality, operating efficiency, leverage, and liquidity using available financial and regulatory information for each underlying collateral issuer. The analysis also includes a review of historical industry default data, current/near term operating conditions, and the impact of macroeconomic and regulatory changes. Using the results of our analysis, we estimate appropriate default and recovery probabilities for each piece of collateral then estimate the expected cash flows for each security. The fair value of each security is obtained by discounting the expected cash flows at a market discount rate. The market discount rate is determined by reference to yields observed in the market for similarly rated collateralized debt obligations, specifically high-yield collateralized loan obligations. The relatively high market discount rate is reflective of the uncertainty of the cash flows and illiquid nature of these securities. The large differential between the fair value and amortized cost of some of the securities reflects the high market discount rate and the expectation that the majority of the cash flows will not be received until near the final maturity of the security (the final maturities range from 2032 to 2035).

On December 10, 2013, the Federal Reserve, the OCC, the FDIC, the CFTC and the SEC issued final rules to implement the Volcker Rule contained in section 619 of the Dodd-Frank Act, generally to become effective on July 21, 2015. The Volcker Rule prohibits an insured depository institution and its affiliates (referred to as “banking entities”) from: (i) engaging in “proprietary trading” and (ii) investing in or sponsoring certain types of funds (“covered funds”) subject to certain limited exceptions. These prohibitions impact the ability of U.S. banking entities to provide investment management products and services that are competitive with nonbanking firms generally and with non-U.S. banking organizations in overseas markets. The rule also effectively prohibits short-term trading strategies by any U.S. banking entity if those strategies involve instruments other than those specifically permitted for trading.

On January 14, 2014, the five federal agencies approved an interim final rule to permit banking entities to retain interests in certain collateralized debt obligations backed primarily by trust preferred securities from the investment prohibitions of section 619 of the Volcker Rule. Under the interim final rule, the agencies permit the retention of an interest in or sponsorship of covered funds by banking entities if certain qualifications are met. In addition, the agencies released a non-exclusive list of issuers that meet the requirements of the interim final rule. At June 30, 2015, we had investments in nine different pools of trust preferred securities. Eight of our pools are included in the list of non-exclusive issuers. We have analyzed the ICONS pool which was not included on the list and believe that it is more likely than not that we would not be required to sell and will be able to hold the security to recovery under the final Volcker Rule regulations.

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The following table summarizes the relevant characteristics of our CDO securities portfolio, which are included in asset-backed securities, at June 30, 2015. Each security is part of a pool of issuers and supports a more senior tranche of securities except for the MM Comm III securities which are the most senior class.

Collateralized Debt Obligation Data
June 30, 2015
(dollar amounts in thousands)

Deal Name	Par Value	Amortized Cost	Fair Value	Unrealized Loss (2)	Lowest Credit Rating (3)	# of Issuers Currently Performing/ Remaining (4)	Actual Deferrals and Defaults as a % of Original Collateral	Expected Defaults as a % of Remaining Performing Collateral	Excess Subordination (5)
Alesco II (1)	$ 41,646	$ 28,434	$ 25,212	$ (3,222)	C	30/32	5%	7%	3%
ICONS	19,515	19,515	15,590	(3,925)	BB	19/21	7	16	56
MM Comm III	5,459	5,216	4,355	(861)	BB	6/9	5	6	33
Pre TSL IX (1)	5,000	3,955	3,177	(778)	C	28/38	17	9	8
Pre TSL XI (1)	25,000	20,399	15,380	(5,019)	C	42/55	16	9	9
Pre TSL XIII (1)	27,530	19,999	16,735	(3,264)	C	41/56	21	22	11
Reg Diversified (1)	25,500	5,706	2,468	(3,238)	D	25/40	32	7	—
Soloso (1)	12,500	2,440	618	(1,822)	C	34/58	29	19	—
Tropic III	31,000	31,000	18,535	(12,465)	CCC+	29/40	20	8	39
Total at June 30, 2015	**$193,150**	**$136,664**	**$102,070**	**$(34,594)**					
Total at December 31, 2014	$193,597	$139,194	$ 82,738	$(56,456)					

(1) Security was determined to have OTTI. As such, the book value is net of recorded credit impairment.
(2) These securities have been in a continuous loss position for longer than 12 months.
(3) For purposes of comparability, the lowest credit rating expressed is equivalent to Fitch ratings even where the lowest rating is based on another nationally recognized credit rating agency.
(4) Includes both banks and/or insurance companies.
(5) Excess subordination percentage represents the additional defaults in excess of both current and projected defaults that the CDO can absorb before the bond experiences credit impairment. Excess subordinated percentage is calculated by (a) determining what percentage of defaults a deal can experience before the bond has credit impairment, and (b) subtracting from this default breakage percentage both total current and expected future default percentages.

5. HELD-TO-MATURITY SECURITIES

These are debt securities that Huntington has the intent and ability to hold until maturity. The debt securities are carried at amortized cost and adjusted for amortization of premiums and accretion of discounts using the interest method.

Listed below are the contractual maturities (under 1 year, 1-5 years, 6-10 years, and over 10 years) of held-to-maturity securities at June 30, 2015 and December 31, 2014:

	June 30, 2015		December 31, 2014	
(dollar amounts in thousands)	**Amortized Cost**	**Fair Value**	Amortized Cost	Fair Value
Federal agencies: mortgage-backed securities:				
Under 1 year	**$ —**	**$ —**	$ —	$ —
1-5 years	**—**	**—**	—	—
6-10 years	**24,901**	**24,476**	24,901	24,263
Over 10 years	**2,906,086**	**2,911,305**	3,136,460	3,140,194
Total Federal agencies: mortgage-backed securities	**2,930,987**	**2,935,781**	3,161,361	3,164,457
Other agencies:				
Under 1 year	**—**	**—**	—	—
1-5 years	**—**	**—**	—	—
6-10 years	**92,903**	**94,396**	54,010	54,843
Over 10 years	**272,671**	**271,961**	156,553	155,821
Total other agencies	**365,574**	**366,357**	210,563	210,664
Total U.S. Government backed agencies	**3,296,561**	**3,302,138**	3,371,924	3,375,121
Municipal securities:				
Under 1 year	**—**	**—**	—	—
1-5 years	**—**	**—**	—	—
6-10 years	**—**	**—**	—	—
Over 10 years	**7,599**	**7,341**	7,981	7,594
Total municipal securities	**7,599**	**7,341**	7,981	7,594
Total held-to-maturity securities	**$3,304,160**	**$3,309,479**	$3,379,905	$3,382,715

The following table provides amortized cost, gross unrealized gains and losses, and fair value by investment category at June 30, 2015 and December 31, 2014:

		Unrealized		
(dollar amounts in thousands)	**Amortized Cost**	**Gross Gains**	**Gross Losses**	**Fair Value**
June 30, 2015				
Federal Agencies:				
Mortgage-backed securities	**$2,930,987**	**$24,266**	**$(19,472)**	**$2,935,781**
Other agencies	**365,574**	**2,537**	**(1,754)**	**366,357**
Total U.S. Government backed agencies	**3,296,561**	**26,803**	**(21,226)**	**3,302,138**
Municipal securities	**7,599**	**—**	**(258)**	**7,341**
Total held-to-maturity securities	**$3,304,160**	**$26,803**	**$(21,484)**	**$3,309,479**

		Unrealized		
(dollar amounts in thousands)	Amortized Cost	Gross Gains	Gross Losses	Fair Value
December 31, 2014				
Federal Agencies:				
Mortgage-backed securities	$3,161,361	$24,832	$(21,736)	$3,164,457
Other agencies	210,563	1,251	(1,150)	210,664
Total U.S. Government backed agencies	3,371,924	26,083	(22,886)	3,375,121
Municipal securities	7,981	—	(387)	7,594
Total held-to-maturity securities	$3,379,905	$26,083	$(23,273)	$3,382,715

The following tables provide detail on held-to-maturity securities with unrealized losses aggregated by investment category and the length of time the individual securities have been in a continuous loss position, at June 30, 2015 and December 31, 2014:

	Less than 12 Months		Over 12 Months		Total	
(dollar amounts in thousands)	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
June 30, 2015						
Federal Agencies:						
Mortgage-backed securities	**$ 887,538**	**$ (6,871)**	**$382,679**	**$(12,601)**	**$1,270,217**	**$(19,472)**
Other agencies	**163,312**	**(1,615)**	**21,662**	**(139)**	**184,974**	**(1,754)**
Total U.S. Government backed securities	**1,050,850**	**(8,486)**	**404,341**	**(12,740)**	**1,455,191**	**(21,226)**
Municipal securities	**—**	**—**	**7,341**	**(258)**	**7,341**	**(258)**
Total temporarily impaired securities	**$1,050,850**	**$ (8,486)**	**$411,682**	**$(12,998)**	**$1,462,532**	**$(21,484)**

	Less than 12 Months		Over 12 Months		Total	
(dollar amounts in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2014						
Federal Agencies:						
Mortgage-backed securities	$ 707,934	$ (5,550)	$622,026	$(16,186)	$1,329,960	$(21,736)
Other agencies	36,956	(198)	71,731	(952)	108,687	(1,150)
Total U.S. Government backed securities	744,890	(5,748)	693,757	(17,138)	1,438,647	(22,886)
Municipal securities	7,594	(387)	—	—	7,594	(387)
Total temporarily impaired securities	$ 752,484	$ (6,135)	$693,757	$(17,138)	$1,446,241	$(23,273)

Security Impairment

Huntington evaluates the held-to-maturity securities portfolio on a quarterly basis for impairment. Impairment would exist when the present value of the expected cash flows is not sufficient to recover the entire amortized cost basis at the balance sheet date. Under these circumstances, any impairment would be recognized in earnings. As of June 30, 2015, Management has evaluated held-to-maturity securities with unrealized losses for impairment and concluded no OTTI is required.

6. LOAN SALES AND SECURITIZATIONS

Residential Mortgage Loans

The following table summarizes activity relating to residential mortgage loans sold with servicing retained for the three-month and six-month periods ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Residential mortgage loans sold with servicing retained	**$938,412**	$566,471	**$1,569,096**	$1,048,308
Pretax gains resulting from above loan sales (1)	**27,471**	14,996	**42,334**	27,072

(1) Recorded in mortgage banking income.

A MSR is established only when the servicing is contractually separated from the underlying mortgage loans by sale or securitization of the loans with servicing rights retained. At initial recognition, the MSR asset is established at its fair value using assumptions consistent with assumptions used to estimate the fair value of existing MSRs. At the time of initial capitalization, MSRs may be recorded using either the fair value method or the amortization method. The election of the fair value method or amortization method is made at the time each servicing class is established. Subsequently, servicing rights are accounted for based on the methodology chosen for each respective servicing class. Any increase or decrease in the fair value of MSRs carried under the fair value method, as well as amortization or impairment of MSRs recorded using the amortization method, during the period is recorded as an increase or decrease in mortgage banking income, which is reflected in noninterest income in the Unaudited Condensed Consolidated Statements of Income.

The following tables summarize the changes in MSRs recorded using either the fair value method or the amortization method for the three-month and six-month periods ended June 30, 2015 and 2014:

Fair Value Method:	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Fair value, beginning of period	**$20,455**	$30,628	**$22,786**	$34,236
Change in fair value during the period due to:				
Time decay (1)	**(332)**	(656)	**(671)**	(1,381)
Payoffs (2)	**(997)**	(1,611)	**(1,815)**	(3,525)
Changes in valuation inputs or assumptions (3)	**1,555**	(1,614)	**381**	(2,583)
Fair value, end of period:	**$20,681**	$26,747	**$20,681**	$26,747
Weighted-average life (years)	**5.1**	3.9	**5.1**	3.9

(1) Represents decrease in value due to passage of time, including the impact from both regularly scheduled loan principal payments and partial loan paydowns.
(2) Represents decrease in value associated with loans that paid off during the period.
(3) Represents change in value resulting primarily from market-driven changes in interest rates and prepayment speeds.

Amortization Method:	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Carrying value, beginning of period	**$125,454**	$132,651	**$132,813**	$128,064
New servicing assets created	**10,338**	5,578	**16,792**	10,631
Servicing assets acquired	**—**	—	**—**	3,505
Impairment (charge) / recovery	**12,970**	(3,685)	**4,980**	(7,027)
Amortization and other	**(5,635)**	(1,431)	**(11,458)**	(2,060)
Carrying value, end of period	**$143,127**	$133,113	**$143,127**	$133,113
Fair value, end of period	**$143,434**	$139,915	**$143,434**	$139,915
Weighted-average life (years)	**6.5**	5.9	**6.5**	5.9

MSRs do not trade in an active, open market with readily observable prices. While sales of MSRs occur, the precise terms and conditions are typically not readily available. Therefore, the fair value of MSRs is estimated using a discounted future cash flow model. The model considers portfolio characteristics, contractually specified servicing fees and assumptions related to prepayments, delinquency rates, late charges, other ancillary revenues, costs to service, and other economic factors. Changes in the assumptions used may have a significant impact on the valuation of MSRs.

MSR values are very sensitive to movements in interest rates as expected future net servicing income depends on the projected outstanding principal balances of the underlying loans, which can be greatly impacted by the level of prepayments. Huntington hedges the value of certain MSRs against changes in value attributable to changes in interest rates using a combination of derivative instruments and trading securities.

For MSRs under the fair value method, a summary of key assumptions and the sensitivity of the MSR value at June 30, 2015 and December 31, 2014, to changes in these assumptions follows:

	June 30, 2015			December 31, 2014		
		Decline in fair value due to			Decline in fair value due to	
(dollar amounts in thousands)	Actual	10% adverse change	20% adverse change	Actual	10% adverse change	20% adverse change
Constant prepayment rate *(annualized)*	**13.60%**	**$ (955)**	**$ (1,833)**	15.60%	$ (1,176)	$ (2,248)
Spread over forward interest rate swap rates	**597 bps**	**(659)**	**(1,277)**	546 bps	(699)	(1,355)

For MSRs under the amortization method, a summary of key assumptions and the sensitivity of the MSR value at June 30, 2015 and December 31, 2014, to changes in these assumptions follows:

	June 30, 2015			December 31, 2014		
		Decline in fair value due to			Decline in fair value due to	
(dollar amounts in thousands)	Actual	10% adverse change	20% adverse change	Actual	10% adverse change	20% adverse change
Constant prepayment rate *(annualized)*	**9.80%**	**$ (4,935)**	**$ (9,525)**	11.40%	$ (5,289)	$ (10,164)
Spread over forward interest rate swap rates	**969 bps**	**(4,776)**	**(9,240)**	856 bps	(4,343)	(8,403)

Total servicing, late and other ancillary fees, net of amortization of capitalized servicing assets included in mortgage banking income amounted to $3.7 million and $4.9 million for the three-month periods ended June 30, 2015 and 2014, respectively. For the six-month periods ended June 30, 2015 and 2014, total servicing fees included in mortgage banking income were $7.6 million and $9.9 million, respectively. The unpaid principal balance of residential mortgage loans serviced for third parties was $15.7 billion and $15.6 billion at June 30, 2015 and December 31, 2014, respectively.

Automobile Loans and Leases

The following table summarizes activity relating to automobile loans sold and/or securitized with servicing retained for the three-month and six-month periods ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Automobile loans securitized with servicing retained	**$750,000**	$—	**$750,000**	$—
Pretax gains resulting from above loan sales (1)	**5,333**	—	**5,333**	—

(1) Recorded in gain on sale of loans.

In the 2015 second quarter, the UPB of automobile loans totaling $750.0 million were transferred to a trust in a securitization transaction in exchange for $780.1 million of net proceeds. The securitization and resulting sale of all underlying securities qualified for sale accounting. As a result of this transaction, Huntington recognized a $5.3 million gain which is reflected in gain on sale of loans on the Condensed Consolidated Statement of Income and recorded an $11.2 million servicing asset which is reflected in accrued income and other assets on the Condensed Consolidated Balance Sheet.

Huntington has retained servicing responsibilities on sold automobile loans and receives annual servicing fees and other ancillary fees on the outstanding loan balances. Automobile loan servicing rights are accounted for using the amortization method. A servicing asset is established at fair value at the time of the sale. The servicing asset is then amortized against servicing income. Impairment, if any, is recognized when carrying value exceeds the fair value as determined by calculating the present value of expected net future cash flows. The primary risk characteristic for measuring servicing assets is payoff rates of the underlying loan pools. Valuation calculations rely on the predicted payoff assumption and, if actual payoff is quicker than expected, then future value would be impaired.

Changes in the carrying value of automobile loan servicing rights for the three-month and six-month periods ended June 30, 2015 and 2014, and the fair value at the end of each period were as follows:

(dollar amounts in thousands)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Carrying value, beginning of period	**$ 5,063**	$14,357	**$ 6,898**	$17,672
New servicing assets created	**11,180**	—	**11,180**	—
Amortization and other	**(1,913)**	(2,842)	**(3,748)**	(6,157)
Carrying value, end of period	**$14,330**	$11,515	**$14,330**	$11,515
Fair value, end of period	**$14,336**	$11,846	**$14,336**	$11,846
Weighted-average life (years)	**3.2**	3.0	**3.2**	3.0

A summary of key assumptions and the sensitivity of the automobile loan servicing rights value to changes in these assumptions at June 30, 2015 and December 31, 2014 follows:

	June 30, 2015			December 31, 2014		
		Decline in fair value due to			Decline in fair value due to	
(dollar amounts in thousands)	Actual	10% adverse change	20% adverse change	Actual	10% adverse change	20% adverse change
Constant prepayment rate *(annualized)*	**15.60%**	**$ (622)**	**$ (1,203)**	14.62%	$ (305)	$ (496)
Spread over forward interest rate swap rates	**500 bps**	**(15)**	**(30)**	500 bps	(2)	(4)

Servicing income, net of amortization of capitalized servicing assets and impairment, amounted to $1.4 million and $2.0 million for the three-month periods ending June 30, 2015, and 2014, respectively. For the six-month periods ended June 30, 2015 and 2014, total servicing income, net of amortization of capitalized servicing assets and impairment, were $2.8 million and $4.1 million, respectively. The unpaid principal balance of automobile loans serviced for third parties was $1.3 billion and $0.8 billion at June 30, 2015 and December 31, 2014, respectively.

Small Business Association (SBA) Portfolio

The following table summarizes activity relating to SBA loans sold with servicing retained for the three-month and six-month periods ended June 30, 2015 and 2014:

(dollar amounts in thousands)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
SBA loans sold with servicing retained	**$53,534**	$45,229	**$95,935**	$86,101
Pretax gains resulting from above loan sales (1)	**4,696**	5,396	**8,270**	9,772

(1) Recorded in gain on sale of loans.

Huntington has retained servicing responsibilities on sold SBA loans and receives annual servicing fees on the outstanding loan balances. SBA loan servicing rights are accounted for using the amortization method. A servicing asset is established at fair value at the time of the sale using a discounted future cash flow model. The servicing asset is then amortized against servicing income. Impairment, if any, is recognized when carrying value exceeds the fair value as determined by calculating the present value of expected net future cash flows.

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The following tables summarize the changes in the carrying value of the servicing asset for the three-month and six-month periods ended June 30, 2015 and 2014, and the fair value at the end of each period were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Carrying value, beginning of period	**$17,947**	$17,028	**$18,536**	$16,865
New servicing assets created	**1,839**	1,526	**3,296**	2,861
Amortization and other	**(1,514)**	(1,362)	**(3,560)**	(2,534)
Carrying value, end of period	**$18,272**	$17,192	**$18,272**	$17,192
Fair value, end of period	**$20,350**	$17,192	**$20,350**	$17,192
Weighted-average life (years)	**3.3**	3.5	**3.3**	3.5

A summary of key assumptions and the sensitivity of the SBA loan servicing rights value to changes in these assumptions at June 30, 2015 and December 31, 2014 follows:

	June 30, 2015			December 31, 2014		
		Decline in fair value due to			Decline in fair value due to	
(dollar amounts in thousands)	Actual	10% adverse change	20% adverse change	Actual	10% adverse change	20% adverse change
Constant prepayment rate *(annualized)*	**7.70%**	**$ (287)**	**$ (569)**	5.60%	$ (211)	$ (419)
Discount rate	**1,500 bps**	**(547)**	**(1,071)**	1,500 bps	(563)	(1,102)

Servicing income, net of amortization of capitalized servicing assets, amounted to $2.1 million and $1.8 million for the three-month periods ending June 30, 2015, and 2014, respectively. For the six-month periods ended June 30, 2015 and 2014, total servicing income, net of amortization of capitalized servicing assets, was $4.1 million and $3.6 million, respectively. The unpaid principal balance of SBA loans serviced for third parties was $929.4 million and $898.0 million at June 30, 2015 and December 31, 2014, respectively.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

Business segments are based on segment leadership structure, which reflects how segment performance is monitored and assessed. We have five major business segments: Retail and Business Banking, Commercial Banking, Automobile Finance and Commercial Real Estate (AFCRE), Regional Banking and The Huntington Private Client Group (RBHPCG), and Home Lending. A Treasury / Other function includes, along with technology and operations, other unallocated assets, liabilities, revenue, and expense.

A rollforward of goodwill by business segment for the first six-month period of 2015 is presented in the table below:

(dollar amounts in thousands)	Retail & Business Banking	Commercial Banking	AFCRE	RBHPCG	Home Lending	Treasury/ Other	Huntington Consolidated
Balance, beginning of period	**$368,097**	**$ 59,594**	**$ —**	**$90,012**	**$ —**	**$ 4,838**	**$ 522,541**
Goodwill acquired during the period	—	**155,828**	—	—	—	—	**155,828**
Adjustments	—	—	—	—	—	—	—
Impairment	—	—	—	—	—	—	—
Balance, end of period	**$368,097**	**$215,422**	**$ —**	**$90,012**	**$ —**	**$ 4,838**	**$ 678,369**

On March 31, 2015, Huntington completed its acquisition of Macquarie Equipment Finance, which was re-branded Huntington Technology Finance (HTF). As part of the transaction, Huntington recorded $155.8 million of goodwill and $8.2 million of other intangible assets. For additional information on the acquisition, see Business Combinations footnote.

Goodwill is not amortized but is evaluated for impairment on an annual basis at October 1 of each year or whenever events or changes in circumstances indicate the carrying value may not be recoverable. As a result of the 2014 first quarter reorganization in our reported business segments, goodwill was reallocated among the business segments. Immediately following the reallocation, impairment of $3.0 million was recorded in the Home Lending reporting segment.

At June 30, 2015 and December 31, 2014, Huntington's other intangible assets consisted of the following:

(dollar amounts in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
June 30, 2015			
Core deposit intangible	**$400,058**	**$(382,219)**	**$17,839**
Customer relationship	**116,120**	**(71,366)**	**44,754**
Other	**25,164**	**(25,052)**	**112**
Total other intangible assets	**$541,342**	**$(478,637)**	**$62,705**
December 31, 2014			
Core deposit intangible	$400,058	$(366,907)	$33,151
Customer relationship	107,920	(66,534)	41,386
Other	25,164	(25,030)	134
Total other intangible assets	$533,142	$(458,471)	$74,671

The estimated amortization expense of other intangible assets for the remainder of 2015 and the next five years is as follows:

(dollar amounts in thousands)	Amortization Expense
2015	$ 7,700
2016	14,316
2017	12,908
2018	11,135
2019	9,825
2020	3,076

8. LONG-TERM DEBT

In June 2015, the Bank issued $750.0 million of senior notes at 99.711% of face value. The senior bank note issuances mature on June 30, 2018 and have a fixed coupon rate of 2.00%.

Effective March 31, 2015, Huntington completed its acquisition of HTF. As part of the acquisition, Huntington assumed $293.4 million of non-recourse debt with various financial institutions and maturity dates. The effective interest rate on the non-recourse debt is 3.20%. Huntington also assumed $254.8 million of debt associated with two securitizations. The securitization debt has various classes and associated maturity dates and has an effective interest rate of 1.70%.

In February 2015, the Bank issued $500.0 million of senior notes at 99.860% of face value. The senior bank note issuances mature on February 26, 2018 and have a fixed coupon rate of 1.70%. Also, in February 2015, the Bank issued $500.0 million of senior notes at 99.874% of face value. The senior bank note issuances mature on April 1, 2020 and have a fixed coupon rate of 2.40%. Both senior note issuances may be redeemed one month prior to the maturity date at 100% of principal plus accrued and unpaid interest.

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9. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income for the three-month and six-month periods ended June 30, 2015 and 2014, were as follows:

(dollar amounts in thousands)	**Three Months Ended June 30, 2015** Pretax	Tax (Expense) Benefit	After-tax
Noncredit-related impairment recoveries (losses) on debt securities not expected to be sold	**$ 13,490**	**$ (4,770)**	**$ 8,720**
Unrealized holding gains (losses) on available-for-sale debt securities arising during the period	**(52,119)**	**18,374**	**(33,745)**
Less: Reclassification adjustment for net losses (gains) included in net income	**(120)**	**42**	**(78)**
Net change in unrealized holding gains (losses) on available-for-sale debt securities	**(38,749)**	**13,646**	**(25,103)**
Net change in unrealized holding gains (losses) on available-for-sale equity securities	**16**	**(5)**	**11**
Unrealized gains (losses) on derivatives used in cash flow hedging relationships arising during the period	**(829)**	**290**	**(539)**
Less: Reclassification adjustment for net (gains) losses included in net income	**(138)**	**48**	**(90)**
Net change in unrealized gains (losses) on derivatives used in cash flow hedging relationships	**(967)**	**338**	**(629)**
Net change in pension and other post-retirement obligations	**1,390**	**(487)**	**903**
Total other comprehensive income (loss)	**$(38,310)**	**$ 13,492**	**$(24,818)**

(dollar amounts in thousands)	Three Months Ended June 30, 2014 Pretax	Tax (Expense) Benefit	After-tax
Noncredit-related impairment recoveries (losses) on debt securities not expected to be sold	$ 1,252	$ (443)	$ 809
Unrealized holding gains (losses) on available-for-sale debt securities arising during the period	36,437	(13,015)	23,422
Less: Reclassification adjustment for net losses (gains) included in net income	(284)	100	(184)
Net change in unrealized holding gains (losses) on available-for-sale debt securities	37,405	(13,358)	24,047
Net change in unrealized holding gains (losses) on available-for-sale equity securities	323	(113)	210
Unrealized gains (losses) on derivatives used in cash flow hedging relationships arising during the period	27,253	(9,539)	17,714
Less: Reclassification adjustment for net (gains) losses included in net income	(813)	285	(528)
Net change in unrealized gains (losses) on derivatives used in cash flow hedging relationships	26,440	(9,254)	17,186
Net change in pension and other post-retirement obligations	888	(311)	577
Total other comprehensive income (loss)	$ 65,056	$(23,036)	$ 42,020

(dollar amounts in thousands)	Six Months Ended June 30, 2015 Pretax	Tax (expense) Benefit	After-tax
Noncredit-related impairment recoveries (losses) on debt securities not expected to be sold	**$ 18,735**	**$ (6,625)**	**$ 12,110**
Unrealized holding gains (losses) on available-for-sale debt securities arising during the period	**8,384**	**(3,103)**	**5,281**
Less: Reclassification adjustment for net losses (gains) included in net income	**(241)**	**84**	**(157)**
Net change in unrealized holding gains (losses) on available-for-sale debt securities	**26,878**	**(9,644)**	**17,234**
Net change in unrealized holding gains (losses) on available-for-sale equity securities	**25**	**(9)**	**16**
Unrealized gains (losses) on derivatives used in cash flow hedging relationships arising during the period	**27,317**	**(9,561)**	**17,756**
Less: Reclassification adjustment for net (gains) losses included in net income	**(261)**	**91**	**(170)**
Net change in unrealized gains (losses) on derivatives used in cash flow hedging relationships	**27,056**	**(9,470)**	**17,586**
Net change in pension and other post-retirement obligations	**2,779**	**(973)**	**1,806**
Total other comprehensive income (loss)	**$ 56,738**	**$(20,096)**	**$ 36,642**

(dollar amounts in thousands)	Six Months Ended June 30, 2014 Pretax	Tax (expense) Benefit	After-tax
Noncredit-related impairment recoveries (losses) on debt securities not expected to be sold	$ 8,660	$ (3,062)	$ 5,598
Unrealized holding gains (losses) on available-for-sale debt securities arising during the period	62,682	(22,347)	40,335
Less: Reclassification adjustment for net losses (gains) included in net income	(15,659)	5,481	(10,178)
Net change in unrealized holding gains (losses) on available-for-sale debt securities	55,683	(19,928)	35,755
Net change in unrealized holding gains (losses) on available-for-sale equity securities	376	(132)	244
Unrealized gains (losses) on derivatives used in cash flow hedging relationships arising during the period	30,058	(10,521)	19,537
Less: Reclassification adjustment for net (gains) losses included in net income	(3,705)	1,297	(2,408)
Net change in unrealized gains (losses) on derivatives used in cash flow hedging relationships	26,353	(9,224)	17,129
Net change in pension and other post-retirement obligations	1,776	(622)	1,154
Total other comprehensive income (loss)	$ 84,188	$(29,906)	$ 54,282

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The following table presents activity in accumulated other comprehensive income (loss), net of tax, for the six-month periods ended June 30, 2015 and 2014:

(dollar amounts in thousands)	Unrealized gains and (losses) on debt securities (1)	Unrealized gains and (losses) on equity securities	Unrealized gains and (losses) on cash flow hedging derivatives	Unrealized gains (losses) for pension and other post-retirement obligations	Total
Balance, December 31, 2013	$ (39,234)	$ 292	$(18,844)	$ (156,223)	$(214,009)
Other comprehensive income before reclassifications	45,933	244	19,537	—	65,714
Amounts reclassified from accumulated OCI to earnings	(10,178)	—	(2,408)	1,154	(11,432)
Period change	35,755	244	17,129	1,154	54,282
Balance, June 30, 2014	$ (3,479)	$ 536	$ (1,715)	$ (155,069)	$(159,727)
Balance, December 31, 2014	$ 15,137	$ 484	$(12,233)	$ (225,680)	$(222,292)
Other comprehensive income before reclassifications	17,391	16	17,756	—	35,163
Amounts reclassified from accumulated OCI to earnings	(157)	—	(170)	1,806	1,479
Period change	17,234	16	17,586	1,806	36,642
Balance, June 30, 2015	$ 32,371	$ 500	$ 5,353	$ (223,874)	$(185,650)

(1) Amounts at June 30, 2015 and December 31, 2014 include $1.0 million and $0.8 million, respectively, of net unrealized losses on securities transferred from the available-for-sale securities portfolio to the held-to-maturity securities portfolio. The net unrealized gains will be recognized in earnings over the remaining life of the security using the effective interest method.

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The following table presents the reclassification adjustments out of accumulated OCI included in net income and the impacted line items as listed on the Unaudited Condensed Consolidated Statements of Income for the three-month and six-month periods ended June 30, 2015 and 2014:

Reclassifications out of accumulated OCI

Accumulated OCI components	Amounts reclassified from accumulated OCI		Location of net gain (loss) reclassified from accumulated OCI into earnings
(dollar amounts in thousands)	**Three Months Ended June 30, 2015**	Three Months Ended June 30, 2014	
Gains (losses) on debt securities:			
Amortization of unrealized gains (losses)	**$ 80**	$ 163	Interest income - held-to-maturity securities - taxable
Realized gain (loss) on sale of securities	**40**	121	Noninterest income - net gains (losses) on sale of securities
	120	284	Total before tax
	(42)	(100)	Tax (expense) benefit
	$ 78	$ 184	Net of tax
Gains (losses) on cash flow hedging relationships:			
Interest rate contracts	**$ 118**	$ 895	Interest income - loans and leases
Interest rate contracts	**20**	(82)	Noninterest income - other income
	138	813	Total before tax
	(48)	(285)	Tax (expense) benefit
	$ 90	$ 528	Net of tax
Amortization of defined benefit pension and post-retirement items:			
Actuarial gains (losses)	**$ (1,390)**	$ (888)	Noninterest expense - personnel costs
	(1,390)	(888)	Total before tax
	487	311	Tax (expense) benefit
	$ (903)	$ (577)	Net of tax

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Reclassifications out of accumulated OCI			
Accumulated OCI components	Amounts reclassified from accumulated OCI		Location of net gain (loss) reclassified from accumulated OCI into earnings
(dollar amounts in thousands)	**Six Months Ended June 30, 2015**	Six Months Ended June 30, 2014	
Gains (losses) on debt securities:			
Amortization of unrealized gains (losses)	**$ 201**	$ 338	Interest income - held-to-maturity securities - taxable
Realized gain (loss) on sale of securities	**40**	15,321	Noninterest income - net gains (losses) on sale of securities
	241	15,659	Total before tax
	(84)	(5,481)	Tax (expense) benefit
	$ 157	$ 10,178	Net of tax
Gains (losses) on cash flow hedging relationships:			
Interest rate contracts	**$ 251**	$ 3,787	Interest income - loans and leases
Interest rate contracts	**10**	(82)	Noninterest income - other income
	261	3,705	Total before tax
	(91)	(1,297)	Tax (expense) benefit
	$ 170	$ 2,408	Net of tax
Amortization of defined benefit pension and post-retirement items:			
Actuarial gains (losses)	**$ (2,779)**	$ (1,776)	Noninterest expense - personnel costs
	(2,779)	(1,776)	Total before tax
	973	622	Tax (expense) benefit
	$ (1,806)	$ (1,154)	Net of tax

10. SHAREHOLDERS' EQUITY

2015 Share Repurchase Program

During the three-month period ended June 30, 2015 Huntington repurchased a total of 8.8 million shares at a weighted average share price of $11.20. Huntington repurchased a total of 13.8 million shares of common stock during the six-month period ended June 30, 2015, at a weighted average price of $10.92.

On March 11, 2015, Huntington announced that the Federal Reserve did not object to the proposed capital actions included in Huntington's capital plan submitted to the Federal Reserve in January 2015. These actions included a potential repurchase of up to $366 million of common stock from the second quarter of 2015 through the second quarter of 2016. Purchases of common stock may include open market purchases, privately negotiated transactions, and accelerated repurchase programs. Huntington's board of directors authorized a share repurchase program consistent with Huntington's capital plan. This program replaced the previously authorized share repurchase program authorized by Huntington's board of directors in 2014.

2014 Share Repurchase Program

During the three months ended June 30, 2014 Huntington repurchased a total of 12.1 million shares at a weighted average share price of $9.17. Huntington repurchased a total of 26.7 million shares of common stock during the six months ended June 30, 2014, at a weighted average price of $9.26.

11. EARNINGS PER SHARE

Basic earnings per share is the amount of earnings (adjusted for dividends declared on preferred stock) available to each share of common stock outstanding during the reporting period. Diluted earnings per share is the amount of earnings available to each share of common stock outstanding during the reporting period adjusted to include the effect of potentially dilutive common shares. Potentially dilutive common shares include incremental shares issued for stock options, restricted stock units and awards, distributions from deferred compensation plans, and the conversion of the Company's convertible preferred. Potentially dilutive common shares are excluded from the computation of diluted earnings per share in periods in which the effect would be antidilutive. For diluted earnings per share, net income available to common shares can be affected by the conversion of the Company's convertible preferred stock. Where the effect of this conversion would be dilutive, net income available to common shareholders is adjusted by the associated preferred dividends and deemed dividend. The calculation of basic and diluted earnings per share for three-month and six-month periods ended June 30, 2015 and 2014, was as follows:

	Three Months Ended March 31,		Six Months Ended June 30,	
(dollar amounts in thousands, except per share amounts)	**2015**	2014	**2015**	2014
Basic earnings per common share:				
Net income	**$196,206**	$164,619	**$362,060**	$313,762
Preferred stock dividends	**(7,968)**	(7,963)	**(15,933)**	(15,927)
Net income available to common shareholders	**$188,238**	$156,656	**$346,127**	$297,835
Average common shares issued and outstanding	**806,891**	821,546	**808,335**	825,603
Basic earnings per common share	**$ 0.23**	$ 0.19	**$ 0.43**	$ 0.36
Diluted earnings per common share:				
Net income available to common shareholders	**$188,238**	$156,656	**$346,127**	$297,835
Effect of assumed preferred stock conversion	**—**	—	**—**	—
Net income applicable to diluted earnings per share	**$188,238**	$156,656	**$346,127**	$297,835
Average common shares issued and outstanding	**806,891**	821,546	**808,335**	825,603
Dilutive potential common shares:				
Stock options and restricted stock units and awards	**11,250**	11,395	**11,688**	11,426
Shares held in deferred compensation plans	**1,912**	1,245	**1,809**	1,249
Other	**185**	501	**191**	268
Dilutive potential common shares:	**13,347**	13,141	**13,688**	12,943
Total diluted average common shares issued and outstanding	**820,238**	834,687	**822,023**	838,546
Diluted earnings per common share	**$ 0.23**	$ 0.19	**$ 0.42**	$ 0.36

For the three-month periods ended June 30, 2015 and 2014, approximately 1.5 million and 3.1 million, respectively, of options to purchase shares of common stock were not included in the computation of diluted earnings per share because the effect would be antidilutive. For the six-month periods ended June 30, 2015 and 2014, approximately 1.3 million and 2.6 million were not included, respectively.

12. BENEFIT PLANS

Huntington sponsors the Plan, a non-contributory defined benefit pension plan covering substantially all employees hired or rehired prior to January 1, 2010. The Plan, which was modified in 2013 and no longer accrues service benefits to participants, provides benefits based upon length of service and compensation levels. The funding policy of Huntington is to contribute an annual amount that is at least equal to the minimum funding requirements but not more than the amount deductible under the Internal Revenue Code. There is no required minimum contribution for 2015. During the 2013 third quarter, the board of directors approved, and management communicated, a curtailment of the Company's pension plan effective December 31, 2013. In addition, Huntington has an unfunded defined benefit post-retirement plan that provides certain healthcare and life insurance benefits to retired employees who have attained the age of 55 and have at least 10 years of vesting service under this plan. For additional information on benefit plans, see the Benefit Plan footnote in our 2014 Form 10-K.

On January 1, 2015, Huntington terminated the Company sponsored retiree health care plan for Medicare eligible retirees and their dependents. Instead, Huntington partnered with a third party to assist the retirees and their dependents in selecting individual policies from a variety of carriers on a private exchange. This plan amendment resulted in a measurement of the liability at the approval date. The result of the measurement was a $5.2 million reduction of the liability and increase in accumulated other comprehensive income during the 2014 third quarter. It also resulted in a reduction of expense over the estimated life of plan participants.

The following table shows the components of net periodic benefit expense of the Plan and the Post-Retirement Benefit Plan:

(dollar amounts in thousands)	Pension Benefits Three Months Ended June 30, 2015	Pension Benefits Three Months Ended June 30, 2014	Post Retirement Benefits Three Months Ended June 30, 2015	Post Retirement Benefits Three Months Ended June 30, 2014
Service cost (1)	**$ 458**	$ 435	**$ —**	$ —
Interest cost	**7,984**	8,100	**142**	259
Expected return on plan assets	**(11,044)**	(11,446)	**—**	—
Amortization of prior service cost	**—**	—	**(492)**	(339)
Amortization of gain	**1,984**	1,442	**(116)**	(144)
Settlements	**3,100**	2,500	**—**	—
Benefit expense	**$ 2,482**	$ 1,031	**$ (466)**	$ (224)

(1) Since no participants will be earning benefits after December 31, 2013, the 2014 and 2015 service cost represents only administrative expenses.

(dollar amounts in thousands)	Pension Benefits Six Months Ended June 30, 2015	Pension Benefits Six Months Ended June 30, 2014	Post Retirement Benefits Six Months Ended June 30, 2015	Post Retirement Benefits Six Months Ended June 30, 2014
Service cost (1)	**$ 915**	$ 870	**$ —**	$ —
Interest cost	**15,969**	16,200	**283**	518
Expected return on plan assets	**(22,087)**	(22,892)	**—**	—
Amortization of prior service cost	**—**	—	**(984)**	(678)
Amortization of gain	**3,966**	2,884	**(232)**	(288)
Settlements	**5,650**	5,000	**—**	—
Benefit expense	**$ 4,413**	$ 2,062	**$ (933)**	$ (448)

(1) Since no participants will be earning benefits after December 31, 2013, the 2014 and 2015 service cost represents only administrative expenses.

The Bank, as trustee, held all Plan assets at June 30, 2015 and December 31, 2014. The Plan assets consisted of the following investments:

	Fair Value			
(dollar amounts in thousands)	**June 30, 2015**		December 31, 2014	
Cash equivalents:				
Huntington funds—money market	**$ 6,164**	**1%**	$ 16,136	2%
Fixed income:				
Corporate obligations	**205,362**	**33**	218,077	33
U.S. government obligations	**59,893**	**9**	62,627	10
Mutual funds—fixed income	**36,393**	**6**	34,761	5
U.S. government agencies	**7,008**	**1**	7,445	1
Equities:				
Mutual funds—equities	**154,152**	**24**	147,191	23
Other common stock	**123,805**	**20**	118,970	18
Huntington funds	**25,564**	**4**	37,920	6
Exchange traded funds	**7,034**	**1**	6,840	1
Limited partnerships	**5,160**	**1**	3,046	1
Fair value of plan assets	**$630,535**	**100%**	$653,013	100%

Investments of the Plan are accounted for at cost on the trade date and are reported at fair value. The Plan's investments at June 30, 2015, are classified as Level 1 within the fair value hierarchy, except for corporate obligations, U.S. government obligations, and U.S. government agencies, which are classified as Level 2, and limited partnerships, which are classified as Level 3. In general, investments of the Plan are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the Plan assets.

The investment objective of the Plan is to maximize the return on Plan assets over a long time period, while meeting the Plan obligations. At June 30, 2015, Plan assets were invested 50% in equity investments, 49% in bonds, and 1% in cash with an average duration of 12.21 years on bond investments. The estimated life of benefit obligations was 12.8 years. Although it may fluctuate with market conditions, Management has targeted a long-term allocation of Plan assets of 20% to 50% in equity investments and 80% to 50% in bond investments. The allocation of Plan assets between equity investments and fixed income investments will change from time to time with the allocation to fixed income investments increasing as the funding level increases.

Huntington also sponsors other nonqualified retirement plans, the most significant being the SERP and the SRIP. The SERP provides certain former officers and directors, and the SRIP provides certain current and former officers and directors of Huntington and its subsidiaries with defined pension benefits in excess of limits imposed by federal tax law. During the 2013 third quarter, the board of directors approved, and management communicated, a curtailment of the Company's SRIP plan effective December 31, 2013.

Huntington has a defined contribution plan that is available to eligible employees. Huntington matches participant contributions, up to the first 4% of base pay contributed to the Plan. For 2014, a discretionary profit-sharing contribution equal to 1% of eligible participants' 2014 base pay was awarded.

The following table shows the costs of providing the SERP, SRIP, and defined contribution plans:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
SERP & SRIP	**$ 578**	$ 487	**$ 1,157**	$ 963
Defined contribution plan	**8,078**	8,810	**15,523**	14,914
Benefit cost	**$8,656**	$9,297	**$16,680**	$15,877

13. INCOME TAXES

Provision for Income Taxes

The provision for income taxes in the 2015 second quarter was $64.1 million. This compared with a provision for income taxes of $57.5 million in the 2014 second quarter. The provision for income taxes for the six month periods ended June 30, 2015 and June 30, 2014 was $118.1 million and $109.6 million, respectively. All periods included the benefits from tax-exempt income, tax-advantaged investments, release of capital loss carryforward valuation allowance, general business credits, and investments in qualified affordable housing projects. At June 30, 2015 there is no capital loss carryforward valuation allowance remaining. The net federal deferred tax asset was $30.6 million and the net state deferred tax asset was $42.8 million at June 30, 2015.

Uncertain Tax Positions

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state, city, and foreign jurisdictions. Federal income tax audits have been completed through 2009. In the first quarter of 2013, the IRS began an examination of our 2010 and 2011 consolidated federal income tax returns. Various state and other jurisdictions remain open to examination, including Ohio, Kentucky, Indiana, Michigan, Pennsylvania, West Virginia, and Illinois.

Huntington accounts for uncertainties in income taxes in accordance with ASC 740, Income Taxes. At June 30, 2015, Huntington had gross unrecognized tax benefits of $25.5 million in income tax liability related to uncertain tax positions. Total interest accrued on the unrecognized tax benefits was $0.3 million as of June 30, 2015. This compared with gross unrecognized tax benefits of $1.2 million at December 31, 2014 and total interest accrued of $0.2 million at December 31, 2014. Huntington recognizes interest and penalties on income tax assessments or income tax refunds in the financial statements as a component of provision for income taxes. Due to the complexities of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the tax liabilities. It is reasonably possible that the liability for gross unrecognized tax benefits could decrease by $23.1 million during the next 12 months due to the completion of tax authority examinations.

14. FAIR VALUES OF ASSETS AND LIABILITIES

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level valuation hierarchy was established for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Transfers in and out of Level 1, 2, or 3 are recorded at fair value at the beginning of the reporting period.

Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mortgage loans held for sale

Huntington elected to apply the fair value option for mortgage loans originated with the intent to sell which are included in loans held for sale. Mortgage loans held for sale are classified as Level 2 and are estimated using security prices for similar product types.

Mortgage loans held for investment

Initially, these mortgage loans were originated with the intent to sell and therefore classified as held for sale. In accordance with operating procedures, certain loans have been reclassified to loans held for investment. Mortgage loans held for investment are classified as Level 2 and the value is estimated using security prices for similar product types.

Available-for-sale securities and trading account securities

Securities accounted for at fair value include both the available-for-sale and trading portfolios. Huntington uses prices obtained from third party pricing services and recent trades to determine the fair value of securities. AFS and trading securities are classified as Level 1 using quoted market prices (unadjusted) in active markets for identical securities that Huntington has the ability to access at the measurement date. Less than 1% of the positions in these portfolios are Level 1, and consist of U.S. Treasury securities and money market mutual funds. When quoted market prices are not available, fair values are classified as Level 2 using quoted prices for similar assets in active markets, quoted prices of identical or similar assets in markets that are not active, and inputs that are observable for the asset, either directly or indirectly, for substantially the full term of the financial instrument. 81% of the positions in these portfolios are Level 2, and consist of U.S. Government and agency debt securities, agency mortgage backed securities, asset-backed securities, municipal securities and other securities. For Level 2 securities management uses various methods and techniques to corroborate prices obtained from the pricing service, including reference to dealer or other market quotes, and by reviewing valuations of comparable instruments. If relevant market prices are limited or unavailable, valuations may require significant management judgment or estimation to determine fair value, in which case the fair values are classified as Level 3. 19% of our positions are Level 3, and consist of private-label CMO securities, CDO-preferred CDO securities and municipal securities. A significant change in the unobservable inputs for these securities may result in a significant change in the ending fair value measurement of these securities.

The municipal securities portion that is classified as Level 3 uses significant estimates to determine the fair value of these securities which results in greater subjectivity. The fair value is determined by utilizing third-party valuation services. The third party service provider reviews credit worthiness, prevailing market rates, analysis of similar securities, and projected cash flows. The third-party service provider also incorporates industry and general economic conditions into their analysis. Huntington evaluates the analysis provided for reasonableness.

The private label CMO and CDO-preferred securities portfolios are classified as Level 3 and as such use significant estimates to determine the fair value of these securities which results in greater subjectivity. The private label CMO securities portfolios are subjected to a monthly review of the projected cash flows, while the cash flows of the CDO-preferred securities portfolio are reviewed quarterly. These reviews are supported with analysis from independent third parties, and are used as a basis for impairment analysis.

Private-label CMO securities are collateralized by first-lien residential mortgage loans. The securities valuation methodology incorporates values obtained from a third party pricing specialist using a discounted cash flow approach and a proprietary pricing model and includes assumptions management believes market participants would use to value the securities under current market conditions. The model uses inputs such as estimated prepayment speeds, losses, recoveries, default rates that are implied by the underlying performance of collateral in the structure or similar structures, house price depreciation / appreciation rates that are based upon macroeconomic forecasts and discount rates that are implied by market prices for similar securities with similar collateral structures.

CDO-preferred securities are CDOs backed by a pool of debt securities issued by financial institutions. The collateral generally consists of trust-preferred securities and subordinated debt securities issued by banks, bank holding companies, and insurance companies. A full cash flow analysis is used to estimate fair values and assess impairment for each security within this portfolio. We engage a third party pricing specialist with direct industry experience in CDO-preferred securities valuations to provide assistance in estimating the fair value and expected cash flows for each security in this portfolio. The PD of each issuer and the market discount rate are the most significant inputs in determining fair value. Management evaluates the PD assumptions provided by the third party pricing specialist by comparing the current PD to the assumptions used the previous quarter, actual defaults and deferrals in the current period, and trend data on certain financial ratios of the issuers. Huntington also evaluates the assumptions related to discount rates. Relying on cash flows is necessary because there was a lack of observable transactions in the market and many of the original sponsors or dealers for these securities are no longer able to provide a fair value.

Automobile loans

Effective January 1, 2010, Huntington consolidated an automobile loan securitization that previously had been accounted for as an off-balance sheet transaction. As a result, Huntington elected to account for these automobile loan receivables at fair value. The automobile loan receivables are classified as Level 3. The key assumptions used to determine the fair value of the automobile loan receivables included projections of expected losses and prepayment of the underlying loans in the portfolio and a market assumption of interest rate spreads. Certain interest rates are available from similarly traded securities while other interest rates are developed internally based on similar asset-backed security transactions in the market. During the first quarter of 2014, Huntington cancelled the 2009 and 2006 Automobile Trust. Huntington continues to report the associated automobile loan receivables at fair value due to its 2010 election.

MSRs

MSRs do not trade in an active market with readily observable prices. Accordingly, the fair value of these assets is classified as Level 3. Huntington determines the fair value of MSRs using an income approach model based upon our month-end interest rate curve and prepayment assumptions. The model utilizes assumptions to estimate future net servicing income cash flows, including estimates of time decay, payoffs, and changes in valuation inputs and assumptions. Servicing brokers and other sources of information (e.g. discussion with other mortgage servicers and industry surveys) are used to obtain information on market practice and assumptions. On at least a quarterly basis, third party marks are obtained from at least one service broker. Huntington reviews the valuation assumptions against this market data for reasonableness and adjusts the assumptions if deemed appropriate. Any recommended change in assumptions and / or inputs are presented for review to the Mortgage Price Risk Subcommittee for final approval.

Derivatives

Derivatives classified as Level 2 consist of foreign exchange and commodity contracts, which are valued using exchange traded swaps and futures market data. In addition, Level 2 includes interest rate contracts, which are valued using a discounted cash flow method that incorporates current market interest rates. Level 2 also includes exchange traded options and forward commitments to deliver mortgage-backed securities, which are valued using quoted prices.

Derivatives classified as Level 3 consist primarily of interest rate lock agreements related to mortgage loan commitments. The determination of fair value includes assumptions related to the likelihood that a commitment will ultimately result in a closed loan, which is a significant unobservable assumption. A significant increase or decrease in the external market price would result in a significantly higher or lower fair value measurement.

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Assets and Liabilities measured at fair value on a recurring basis

Assets and liabilities measured at fair value on a recurring basis at June 30, 2015 and December 31, 2014 are summarized below:

	Fair Value Measurements at Reporting Date Using			Netting	**Balance at**
(dollar amounts in thousands)	Level 1	Level 2	Level 3	Adjustments (1)	**June 30, 2015**
Assets					
Loans held for sale	$ —	$ 453,489	$ —	$ —	$ 453,489
Loans held for investment	—	34,997	—	—	34,997
Trading account securities:					
U.S. Treasury securities	—	—	—	—	—
Federal agencies: Mortgage-backed	—	—	—	—	—
Federal agencies: Other agencies	—	8,506	—	—	8,506
Municipal securities	—	4,182	—	—	4,182
Other securities	32,908	13,550	—	—	46,458
	32,908	26,238	—	—	59,146
Available-for-sale and other securities:					
U.S. Treasury securities	12,600	—	—	—	12,600
Federal agencies: Mortgage-backed	—	6,161,270	—	—	6,161,270
Federal agencies: Other agencies	—	329,184	—	—	329,184
Municipal securities	—	401,520	1,716,845	—	2,118,365
Private-label CMO	—	8,575	29,429	—	38,004
Asset-backed securities	—	689,246	102,071	—	791,317
Corporate debt	—	454,584	—	—	454,584
Other securities	13,555	3,897	—	—	17,452
	26,155	8,048,276	1,848,345	—	9,922,776
Automobile loans	—	—	3,998	—	3,998
MSRs	—	—	20,681	—	20,681
Derivative assets	—	469,106	6,399	(97,876)	377,629
Liabilities					
Derivative liabilities	—	313,377	1,233	(21,466)	293,144
Short-term borrowings	—	16,037	—	—	16,037

(dollar amounts in thousands)	Fair Value Measurements at Reporting Date Using Level 1	Level 2	Level 3	Netting Adjustments (1)	Balance at December 31, 2014
Assets					
Loans held for sale	$ —	$ 354,888	$ —	$ —	$ 354,888
Loans held for investment	—	40,027	—	—	40,027
Trading account securities:					
U.S. Treasury securities	—	—	—	—	—
Federal agencies: Mortgage-backed	—	—	—	—	—
Federal agencies: Other agencies	—	2,857	—	—	2,857
Municipal securities	—	5,098	—	—	5,098
Other securities	33,121	1,115	—	—	34,236
	33,121	9,070	—	—	42,191
Available-for-sale and other securities:					
U.S. Treasury securities	5,452	—	—	—	5,452
Federal agencies: Mortgage-backed	—	5,322,701	—	—	5,322,701
Federal agencies: Other agencies	—	351,543	—	—	351,543
Municipal securities	—	450,976	1,417,593	—	1,868,569
Private-label CMO	—	11,462	30,464	—	41,926
Asset-backed securities	—	873,260	82,738	—	955,998
Corporate debt	—	486,176	—	—	486,176
Other securities	17,430	3,316	—	—	20,746
	22,882	7,499,434	1,530,795	—	9,053,111
Automobile loans	—	—	10,590	—	10,590
MSRs	—	—	22,786	—	22,786
Derivative assets	—	449,775	4,064	(101,197)	352,642
Liabilities					
Derivative liabilities	—	335,524	704	(51,973)	284,255
Short-term borrowings	—	2,295	—	—	2,295

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and cash collateral held or placed with the same counterparties.

The tables below present a rollforward of the balance sheet amounts for the six-month periods ended June 30, 2015 and 2014, for financial instruments measured on a recurring basis and classified as Level 3. The classification of an item as Level 3 is based on the significance of the unobservable inputs to the overall fair value measurement. However, Level 3 measurements may also include observable components of value that can be validated externally. Accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology.

	Level 3 Fair Value Measurements Three Months Ended June 30, 2015					
			Available-for-sale securities			
(dollar amounts in thousands)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Automobile loans
Opening balance	**$20,455**	**$ 7,825**	**$1,635,808**	**$30,072**	**$ 89,155**	**$ 6,495**
Transfers into Level 3	—	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—	—
Total gains/losses for the period:						
Included in earnings	**226**	**(1,780)**	—	**11**	**6**	**(213)**
Included in OCI	—	—	**2,677**	**505**	**14,351**	—
Purchases/originations	—	—	**99,031**	—	—	—
Sales	—	—	—	—	—	—
Repayments	—	—	—	—	—	**(2,284)**
Issues	—	—	—	—	—	—
Settlements	—	**(879)**	**(20,671)**	**(1,159)**	**(1,441)**	—
Closing balance	**$20,681**	**$ 5,166**	**$1,716,845**	**$29,429**	**$102,071**	**$ 3,998**
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at end of the reporting date	**$ 226**	**$ (1,780)**	**$ 2,677**	**$ 505**	**$ 14,351**	**$ (213)**

	Level 3 Fair Value Measurements Three Months Ended June 30, 2014					
			Available-for-sale securities			
(dollar amounts in thousands)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Automobile loans
Opening balance	$30,628	$ 3,700	$ 734,378	$31,897	$109,969	$ 37,268
Transfers into Level 3	—	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—	—
Total gains/losses for the period:						
Included in earnings	(3,881)	2,957	—	7	15	(201)
Included in OCI	—	—	(14,061)	249	2,887	—
Purchases/originations	—	—	501,094	—	—	—
Sales	—	—	—	—	—	—
Repayments	—	—	—	—	—	(11,569)
Issues	—	—	—	—	—	—
Settlements	—	(461)	(14,956)	(520)	(6,410)	—
Closing balance	$26,747	$ 6,196	$1,206,455	$31,633	$106,461	$ 25,498
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at end of the reporting date	$ (3,881)	$ 2,957	$ (14,061)	$ 249	$ 2,887	$ (201)

(dollar amounts in thousands)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Automobile loans
	Level 3 Fair Value Measurements Six Months Ended June 30, 2015					
			Available-for-sale securities			
Opening balance	**$22,786**	**$ 3,360**	**$1,417,593**	**$30,464**	**$ 82,738**	**$ 10,590**
Transfers into Level 3	**—**	**—**	**—**	**—**	**—**	**—**
Transfers out of Level 3	**—**	**—**	**—**	**—**	**—**	**—**
Total gains/losses for the period:						
Included in earnings	**(2,105)**	**3,221**	**—**	**27**	**6**	**(426)**
Included in OCI	**—**	**—**	**(1,315)**	**523**	**21,863**	**—**
Purchases/originations	**—**	**—**	**342,028**	**—**	**—**	**(6,166)**
Sales	**—**	**—**	**—**	**—**	**—**	**—**
Repayments	**—**	**—**	**—**	**—**	**—**	**—**
Issues	**—**	**—**	**—**	**—**	**—**	**—**
Settlements	**—**	**(1,415)**	**(41,461)**	**(1,585)**	**(2,536)**	**—**
Closing balance	**$20,681**	**$ 5,166**	**$1,716,845**	**$29,429**	**$102,071**	**$ 3,998**
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at end of the reporting date	**$ (2,105)**	**$ 3,221**	**$ (1,315)**	**$ 523**	**$ 21,863**	**$ (426)**

(dollar amounts in thousands)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Automobile loans
	Level 3 Fair Value Measurements Six Months Ended June 30, 2014					
			Available-for-sale securities			
Opening balance	$34,236	$ 2,390	$ 654,537	$32,140	$107,419	$ 52,286
Transfers into Level 3	—	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—	—
Total gains/losses for the period:						
Included in earnings	(7,489)	4,632	—	17	37	(452)
Included in OCI	—	—	(6,789)	500	14,429	—
Purchases/originations	—	—	581,278	—	—	—
Sales	—	—	—	—	—	—
Repayments	—	—	—	—	—	(26,336)
Issues	—	—	—	—	—	—
Settlements	—	(826)	(22,571)	(1,024)	(15,424)	—
Closing balance	$26,747	$ 6,196	$1,206,455	$31,633	$106,461	$ 25,498
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at end of the reporting date	$ (7,489)	$ 4,632	$ (6,789)	$ 500	$ 14,430	$ (452)

The table below summarizes the classification of gains and losses due to changes in fair value, recorded in earnings for Level 3 assets and liabilities for the three-month and six-month periods ended June 30, 2015 and 2014:

	Level 3 Fair Value Measurements Three Months Ended June 30, 2015					
			Available-for-sale securities			
(dollar amounts in thousands)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Automobile loans
Classification of gains and losses in earnings:						
Mortgage banking income	**$ 226**	**$ (1,780)**	**$ —**	**$ —**	**$ —**	**$ —**
Securities gains (losses)	**—**	**—**	**—**	**—**	**—**	**—**
Interest and fee income	**—**	**—**	**—**	**11**	**6**	**(213)**
Noninterest income	**—**	**—**	**—**	**—**	**—**	**—**
Total	**$ 226**	**$ (1,780)**	**$ —**	**$ 11**	**$ 6**	**$ (213)**

	Level 3 Fair Value Measurements Three Months Ended June 30, 2014					
			Available-for-sale securities			
(dollar amounts in thousands)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Automobile loans
Classification of gains and losses in earnings:						
Mortgage banking income	$(3,881)	$ 2,957	$ —	$ —	$ —	$ —
Securities gains (losses)	—	—	—	—	—	—
Interest and fee income	—	—	—	7	15	(244)
Noninterest income	—	—	—	—	—	43
Total	$(3,881)	$ 2,957	$ —	$ 7	$ 15	$ (201)

	Level 3 Fair Value Measurements Six Months Ended June 30, 2015					
			Available-for-sale securities			
(dollar amounts in thousands)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Automobile loans
Classification of gains and losses in earnings:						
Mortgage banking income	**$(2,105)**	**$ 3,221**	**$ —**	**$ —**	**$ —**	**$ —**
Securities gains (losses)	**—**	**—**	**—**	**—**	**—**	**—**
Interest and fee income	**—**	**—**	**—**	**27**	**6**	**(426)**
Noninterest income	**—**	**—**	**—**	**—**	**—**	**—**
Total	**$(2,105)**	**$ 3,221**	**$ —**	**$ 27**	**$ 6**	**$ (426)**

	Level 3 Fair Value Measurements Six Months Ended June 30, 2014					
			Available-for-sale securities			
(dollar amounts in thousands)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Automobile loans
Classification of gains and losses in earnings:						
Mortgage banking income	$(7,489)	$ 4,632	—	$ —	$ —	$ —
Securities gains (losses)	—	—	—	—	—	—
Interest and fee income	—	—	—	17	37	(576)
Noninterest income	—	—	—	—	—	124
Total	$(7,489)	$ 4,632	$ —	$ 17	$ 37	$ (452)

Assets and liabilities under the fair value option

The following table presents the fair value and aggregate principal balance of certain assets and liabilities under the fair value option:

	June 30, 2015			December 31, 2014		
(dollar amounts in thousands)	Fair value carrying amount	Aggregate unpaid principal	Difference	Fair value carrying amount	Aggregate unpaid principal	Difference
Assets						
Loans held for sale	**$453,489**	**$442,306**	**$11,183**	$354,888	$340,070	$14,818
Loans held for investment	**34,997**	**35,776**	**(779)**	40,027	40,938	(911)
Automobile loans	**3,998**	**3,856**	**142**	10,590	10,022	568

The following tables present the net gains (losses) from fair value changes, including net gains (losses) associated with instrument specific credit risk for the three-month and six-month periods ended June 30, 2015 and 2014:

	Net gains (losses) from fair value changes			
	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Assets				
Loans held for sale	**$(6,559)**	$(5,378)	**$(5,557)**	$7,497
Automobile loans	**(213)**	(201)	**(426)**	(452)

	Gains (losses) included in fair value changes associated with instrument specific credit risk			
	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Assets				
Automobile loans	**$ 5**	$ 251	**$ 70**	$ 573

Assets and Liabilities measured at fair value on a nonrecurring basis

Certain assets and liabilities may be required to be measured at fair value on a nonrecurring basis in periods subsequent to their initial recognition. These assets and liabilities are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment. Assets measured at fair value on a nonrecurring basis were as follows:

		Fair Value Measurements Using				
(dollar amounts in thousands)	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total Gains/(Losses) For the Three Months Ended June 30, 2015	Total Gains/(Losses) For the Six Months Ended June 30, 2015
MSRs	**$141,611**	**$ —**	**—**	**$ 141,611**	**$ 12,970**	**$ 4,980**
Impaired loans	**86,199**	**—**	**—**	**86,199**	**5,171**	**(4,350)**
Other real estate owned	**29,232**	**—**	**—**	**29,232**	**1,430**	**3,263**

Periodically, Huntington records nonrecurring adjustments of collateral-dependent loans measured for impairment when establishing the ACL. Such amounts are generally based on the fair value of the underlying collateral supporting the loan. Appraisals are generally obtained to support the fair value of the collateral and incorporate measures such as recent sales prices for comparable properties and cost of construction. In cases where the carrying value exceeds the fair value of the collateral less cost to sell, an impairment charge is recognized.

MSRs accounted for under the amortization method are subject to nonrecurring fair value measurement when the fair value is lower than the carrying amount.

Other real estate owned properties are included in accrued income and other assets and valued based on appraisals and third party price opinions, less estimated selling costs.

The appraisals supporting the fair value of the collateral to recognize loan impairment or unrealized loss on other real estate owned properties may not have been obtained as of June 30, 2015.

Significant unobservable inputs for assets and liabilities measured at fair value on a recurring and nonrecurring basis

The table below presents quantitative information about the significant unobservable inputs for assets and liabilities measured at fair value on a recurring and nonrecurring basis at June 30, 2015 and December 31, 2014:

Quantitative Information about Level 3 Fair Value Measurements

(dollar amounts in thousands)	Fair Value at June 30, 2015	Valuation Technique	Significant Unobservable Input	Range (Weighted Average)
MSRs	$ 20,681	Discounted cash flow	Constant prepayment rate	5.0% - 24.0% (14.0%)
			Spread over forward interest rate swap rates	325 - 1,166 (597)
			Net costs to service	$ 26 - $120 ($47)
Derivative assets	6,399	Consensus Pricing	Net market price	-4.8% - 18.5% (1.4%)
Derivative liabilities	1,233		Estimated Pull through %	50.0% - 94.0% (78.0%)
Municipal securities	1,716,845	Discounted cash flow	Discount rate	0.5% - 3.8% (2.6%)
Private-label CMO	29,429	Discounted cash flow	Discount rate	2.7% - 7.4% (6.0%)
			Constant prepayment rate	12.0% - 32.6% (20.0%)
			Probability of default	0.1% - 4.0% (0.7%)
			Loss severity	0.0% - 64.0% (34.8%)
Asset-backed securities	102,071	Discounted cash flow	Discount rate	4.3% - 11.3% (5.8%)
			Cumulative prepayment rate	0.0% - 100.0% (8.9%)
			Cumulative default	1.8% - 100.0% (14.4%)
			Loss given default	85.0% - 100.0% (96.0%)
			Cure given deferral	0.0% - 75.0% (41.7%)
Automobile loans	3,998	Discounted cash flow	Constant prepayment rate	154.2%
			Discount rate	0.2% - 5.0% (2.3%)
			Life of pool cumulative losses	2.1%
Impaired loans	86,199	Appraisal value	NA	NA
Other real estate owned	29,232	Appraisal value	NA	NA

Quantitative Information about Level 3 Fair Value Measurements

(dollar amounts in thousands)	Fair Value at December 31, 2014	Valuation Technique	Significant Unobservable Input	Range (Weighted Average)
MSRs	$ 22,786	Discounted cash flow	Constant prepayment rate	7% - 26% (16%)
			Spread over forward interest rate swap rates	228 - 900 (546)
			Net costs to service	$ 21 - $79 ($40)
Derivative assets	4,064	Consensus Pricing	Net market price	-5.09% - 17.46% (1.7%)
Derivative liabilities	704		Estimated Pull through %	38% - 91% (75%)
Municipal securities	1,417,593	Discounted cash flow	Discount rate	0.5% - 4.9% (2.5%)
Private-label CMO	30,464	Discounted cash flow	Discount rate	2.7% - 7.2% (6.0%)
			Constant prepayment rate	13.6% - 32.6% (20.7%)
			Probability of default	0.1% - 4.0% (0.7%)
			Loss severity	0.0% - 64.0% (33.9%)
Asset-backed securities	82,738	Discounted cash flow	Discount rate	4.3% - 13.3% (7.3%)
			Cumulative prepayment rate	0.0% - 100% (10.1%)
			Cumulative default	1.9% - 100% (15.9%)
			Loss given default	20% - 100% (94.4%)
			Cure given deferral	0.0% - 75% (32.6%)
Automobile loans	10,590	Discounted cash flow	Constant prepayment rate	154.2%
			Discount rate	0.2% - 5.0% (2.3%)
			Life of pool cumulative losses	2.1%
Impaired loans	52,911	Appraisal value	NA	NA
Other real estate owned	35,039	Appraisal value	NA	NA

The following provides a general description of the impact of a change in an unobservable input on the fair value measurement and the interrelationship between unobservable inputs, where relevant/significant. Interrelationships may also exist between observable and unobservable inputs. Such relationships have not been included in the discussion below.

A significant change in the unobservable inputs may result in a significant change in the ending fair value measurement of Level 3 instruments. In general, prepayment rates increase when market interest rates decline and decrease when market interest rates rise and higher prepayment rates generally result in lower fair values for MSR assets, Private-label CMO securities, Asset-backed securities, and automobile loans.

Credit loss estimates, such as probability of default, constant default, cumulative default, loss given default, cure given deferral, and loss severity, are driven by the ability of the borrowers to pay their loans and the value of the underlying collateral and are impacted by changes in macroeconomic conditions, typically increasing when economic conditions worsen and decreasing when conditions improve. An increase in the estimated prepayment rate typically results in a decrease in estimated credit losses and vice versa. Higher credit loss estimates generally result in lower fair values. Credit spreads generally increase when liquidity risks and market volatility increase and decrease when liquidity conditions and market volatility improve.

Discount rates and spread over forward interest rate swap rates typically increase when market interest rates increase and/or credit and liquidity risks increase and decrease when market interest rates decline and/or credit and liquidity conditions improve. Higher discount rates and credit spreads generally result in lower fair market values.

Net market price and pull through percentages generally increase when market interest rates increase and decline when market interest rates decline. Higher net market price and pull through percentages generally result in higher fair values.

Fair values of financial instruments

The following table provides the carrying amounts and estimated fair values of Huntington's financial instruments that are carried either at fair value or cost at June 30, 2015 and December 31, 2014:

	June 30, 2015		December 31, 2014	
(dollar amounts in thousands)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and short-term assets	**$ 1,451,378**	**$ 1,451,378**	$ 1,285,124	$ 1,285,124
Trading account securities	**59,146**	**59,146**	42,191	42,191
Loans held for sale	**548,054**	**548,054**	416,327	416,327
Available-for-sale and other securities	**10,254,871**	**10,254,871**	9,384,670	9,384,670
Held-to-maturity securities	**3,304,160**	**3,309,479**	3,379,905	3,382,715
Net loans and leases	**48,152,759**	**46,421,778**	47,050,530	45,110,406
Derivatives	**377,629**	**377,629**	352,642	352,642
Financial Liabilities				
Deposits	**53,473,179**	**53,835,268**	51,732,151	52,454,804
Short-term borrowings	**1,511,444**	**1,511,444**	2,397,101	2,397,101
Long-term debt	**5,854,584**	**5,830,328**	4,335,962	4,286,304
Derivatives	**293,144**	**293,144**	284,255	284,255

The following table presents the level in the fair value hierarchy for the estimated fair values of only Huntington's financial instruments that are not already on the Unaudited Condensed Consolidated Balance Sheets at fair value at June 30, 2015 and December 31, 2014:

	Estimated Fair Value Measurements at Reporting Date Using			
(dollar amounts in thousands)	Level 1	Level 2	Level 3	**Balance at June 30, 2015**
Financial Assets				
Held-to-maturity securities	**$ —**	**$ 3,309,479**	**$ —**	**$ 3,309,479**
Net loans and leases	**—**	**—**	**46,421,778**	**46,421,778**
Financial Liabilities				
Deposits	**—**	**50,117,029**	**3,718,239**	**53,835,268**
Short-term borrowings	**—**	**—**	**1,511,444**	**1,511,444**
Other long-term debt	**—**	**—**	**5,830,328**	**5,830,328**

	Estimated Fair Value Measurements at Reporting Date Using			
(dollar amounts in thousands)	Level 1	Level 2	Level 3	Balance at December 31, 2014
Financial Assets				
Held-to-maturity securities	$ —	$ 3,382,715	$ —	$ 3,382,715
Net loans and leases	—	—	45,110,406	45,110,406
Financial Liabilities				
Deposits	—	48,183,798	4,271,006	52,454,804
Short-term borrowings	—	—	2,397,101	2,397,101
Other long-term debt	—	—	4,286,304	4,286,304

The short-term nature of certain assets and liabilities result in their carrying value approximating fair value. These include trading account securities, customers' acceptance liabilities, short-term borrowings, bank acceptances outstanding, FHLB advances, and cash and short-term assets, which include cash and due from banks, interest-bearing deposits in banks, and federal funds sold and securities purchased under resale agreements. Loan commitments and letters-of-credit generally have short-term, variable-rate features and contain clauses that limit Huntington's exposure to changes in customer credit quality. Accordingly, their carrying values, which are immaterial at the respective balance sheet dates, are reasonable estimates of fair value. Not all the financial instruments listed in the table above are subject to the disclosure provisions of ASC Topic 820.

Certain assets, the most significant being operating lease assets, bank owned life insurance, and premises and equipment, do not meet the definition of a financial instrument and are excluded from this disclosure. Similarly, mortgage and nonmortgage servicing rights, deposit base, and other customer relationship intangibles are not considered financial instruments and are not included above. Accordingly, this fair value information is not intended to, and does not, represent Huntington's underlying value. Many of the assets and liabilities subject to the disclosure requirements are not actively traded, requiring fair values to be estimated by Management. These estimations necessarily involve the use of judgment about a wide variety of factors, including but not limited to, relevancy of market prices of comparable instruments, expected future cash flows, and appropriate discount rates.

The following methods and assumptions were used by Huntington to estimate the fair value of the remaining classes of financial instruments:

Held-to-maturity securities

Fair values are determined by using models that are based on security-specific details, as well as relevant industry and economic factors. The most significant of these inputs are quoted market prices, and interest rate spreads on relevant benchmark securities.

Loans and Direct Financing Leases

Variable-rate loans that reprice frequently are based on carrying amounts, as adjusted for estimated credit losses. The fair values for other loans and leases are estimated using discounted cash flow analyses and employ interest rates currently being offered for loans and leases with similar terms. The rates take into account the position of the yield curve, as well as an adjustment for prepayment risk, operating costs, and profit. This value is also reduced by an estimate of expected losses and the credit risk associated in the loan and lease portfolio. The valuation of the loan portfolio reflected discounts that Huntington believed are consistent with transactions occurring in the marketplace.

Deposits

Demand deposits, savings accounts, and money market deposits are, by definition, equal to the amount payable on demand. The fair values of fixed-rate time deposits are estimated by discounting cash flows using interest rates currently being offered on certificates with similar maturities.

Debt

Fixed-rate, long-term debt is based upon quoted market prices, which are inclusive of Huntington's credit risk. In the absence of quoted market prices, discounted cash flows using market rates for similar debt with the same maturities are used in the determination of fair value.

15. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recorded in the Unaudited Condensed Consolidated Balance Sheet as either an asset or a liability (in accrued income and other assets or accrued expenses and other liabilities, respectively) and measured at fair value.

Derivatives used in Asset and Liability Management Activities

Huntington engages in balance sheet hedging activity, principally for asset liability management purposes, to convert fixed rate assets or liabilities into floating rate or vice versa. Balance sheet hedging activity is arranged to receive hedge accounting treatment and is classified as either fair value or cash flow hedges. Fair value hedges are purchased to convert deposits and subordinated and other long-term debt from fixed-rate obligations to floating rate. Cash flow hedges are also used to convert floating rate loans made to customers into fixed rate loans.

The following table presents the gross notional values of derivatives used in Huntington's asset and liability management activities at June 30, 2015, identified by the underlying interest rate-sensitive instruments:

(dollar amounts in thousands)	Fair Value Hedges	Cash Flow Hedges	Total
Instruments associated with:			
Loans	$ —	$9,248,500	$ 9,248,500
Deposits	69,100	—	69,100
Subordinated notes	475,000	—	475,000
Long-term debt	4,035,000	—	4,035,000
Total notional value at June 30, 2015	**$4,579,100**	**$9,248,500**	**$13,827,600**

The following table presents additional information about the interest rate swaps used in Huntington's asset and liability management activities at June 30, 2015:

(dollar amounts in thousands)	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Rate Receive	Weighted-Average Rate Pay
Asset conversion swaps					
Receive fixed—generic	$ 9,248,500	1.5	$10,249	0.80%	0.27%
Total asset conversion swaps	9,248,500	1.5	10,249	0.80	0.27
Liability conversion swaps					
Receive fixed—generic	4,579,100	2.9	64,851	1.61	0.29
Total liability conversion swaps	4,579,100	2.9	64,851	1.61	0.29
Total swap portfolio	$13,827,600	1.9	$75,100	1.07%	0.27%

These derivative financial instruments were entered into for the purpose of managing the interest rate risk of assets and liabilities. Consequently, net amounts receivable or payable on contracts hedging either interest earning assets or interest bearing liabilities were accrued as an adjustment to either interest income or interest expense. The net amounts resulted in an increase to net interest income of $26.2 million and $24.7 million for the three-month periods ended June 30, 2015, and 2014, respectively. For the six-month periods ended June 30, 2015 and 2014, the net amounts resulted in an increase to net interest income of $50.9 million and $49.3 million, respectively.

In connection with the sale of Huntington's Class B Visa® shares, Huntington entered into a swap agreement with the purchaser of the shares. The swap agreement adjusts for dilution in the conversion ratio of Class B shares resulting from the Visa® litigation. At June 30, 2015, the fair value of the swap liability of $0.4 million is an estimate of the exposure liability based upon Huntington's assessment of the potential Visa® litigation losses.

The following table presents the fair values at June 30, 2015 and December 31, 2014 of Huntington's derivatives that are designated and not designated as hedging instruments. Amounts in the table below are presented gross without the impact of any net collateral arrangements:

Asset derivatives included in accrued income and other assets:

(dollar amounts in thousands)	**June 30, 2015**	December 31, 2014
Interest rate contracts designated as hedging instruments	**$ 75,745**	$ 53,114
Interest rate contracts not designated as hedging instruments	**172,693**	183,610
Foreign exchange contracts not designated as hedging instruments	**39,477**	32,798
Commodities contracts not designated as hedging instruments	**174,510**	180,218
Total contracts	**$462,425**	$ 449,740

Liability derivatives included in accrued expenses and other liabilities:

(dollar amounts in thousands)	**June 30, 2015**	December 31, 2014
Interest rate contracts designated as hedging instruments	**$ 645**	$ 12,648
Interest rate contracts not designated as hedging instruments	**102,403**	110,627
Foreign exchange contracts not designated as hedging instruments	**38,251**	29,754
Commodities contracts not designated as hedging instruments	**171,967**	179,180
Total contracts	**$313,266**	$ 332,209

The changes in fair value of the fair value hedges are, to the extent that the hedging relationship is effective, recorded through earnings and offset against changes in the fair value of the hedged item.

The following table presents the change in fair value for derivatives designated as fair value hedges as well as the offsetting change in fair value on the hedged item for the three-month and six-month periods ended June 30, 2015 and 2014:

(dollar amounts in thousands)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Interest rate contracts				
Change in fair value of interest rate swaps hedging deposits (1)	**$ (245)**	$ (238)	**$ (458)**	$ (505)
Change in fair value of hedged deposits (1)	**236**	228	**450**	494
Change in fair value of interest rate swaps hedging subordinated notes (2)	**(7,362)**	3,015	**(4,131)**	4,081
Change in fair value of hedged subordinated notes (2)	**7,362**	(3,015)	**4,131**	(4,081)
Change in fair value of interest rate swaps hedging other long-term debt (2)	**(8,129)**	10,303	**11,896**	6,252
Change in fair value of hedged other long-term debt (2)	**7,382**	(9,948)	**(12,263)**	(3,474)

(1) Effective portion of the hedging relationship is recognized in Interest expense—deposits in the Unaudited Condensed Consolidated Statements of Income. Any resulting ineffective portion of the hedging relationship is recognized in noninterest income in the Unaudited Condensed Consolidated Statements of Income.

(2) Effective portion of the hedging relationship is recognized in Interest expense—subordinated notes and other long-term debt in the Unaudited Condensed Consolidated Statements of Income. Any resulting ineffective portion of the hedging relationship is recognized in noninterest income in the Unaudited Condensed Consolidated Statements of Income.

To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value will not be included in current earnings but are reported as a component of OCI in the Unaudited Condensed Consolidated Statements of Shareholders' Equity. These changes in fair value will be included in earnings of future periods when earnings are also affected by the changes in the hedged cash flows. To the extent these derivatives are not effective, changes in their fair values are immediately included in noninterest income.

The following table presents the gains and (losses) recognized in OCI and the location in the Unaudited Condensed Consolidated Statements of Income of gains and (losses) reclassified from OCI into earnings for the three-month and six-month periods ended June 30, 2015 and 2014 for derivatives designated as effective cash flow hedges:

Derivatives in cash flow hedging relationships	Amount of gain or (loss) recognized in OCI on derivatives (effective portion) (after-tax)		Location of gain or (loss) reclassified from accumulated OCI into earnings (effective portion)	Amount of (gain) or loss reclassified from accumulated OCI into earnings (effective portion)	
	Three Months Ended June 30,			Three Months Ended June 30,	
(dollar amounts in thousands)	2015	2014		2015	2014
Interest rate contracts					
Loans	**$ (539)**	$17,714	Interest and fee income - loans and leases	**$ (118)**	$ (895)
Investment Securities	**—**	—	Noninterest income - other income	**(20)**	82
Total	**$ (539)**	$17,714		**$ (138)**	$ (813)

Derivatives in cash flow hedging relationships	Amount of gain or (loss) recognized in OCI on derivatives (effective portion) (after-tax)		Location of gain or (loss) reclassified from accumulated OCI into earnings (effective portion)	Amount of (gain) or loss reclassified from accumulated OCI into earnings (effective portion)	
	Six Months Ended June 30,			Six Months Ended June 30,	
(dollar amounts in thousands)	2015	2014		2015	2014
Interest rate contracts					
Loans	**$17,756**	$19,537	Interest and fee income - loans and leases	**$ (250)**	$ (3,787)
Investment Securities	**—**	—	Interest and fee income - investment securities	**(11)**	82
Total	**$17,756**	$19,537		**$ (261)**	$ (3,705)

Reclassified gains and losses on swaps related to loans and investment securities and swaps related to subordinated debt are recorded within interest income and interest expense, respectively. During the next twelve months, Huntington expects to reclassify to earnings $18.1 million after-tax unrealized gains on cash flow hedging derivatives currently in OCI.

The following table details the gains and (losses) recognized in noninterest income on the ineffective portion on interest rate contracts for derivatives designated as cash flow hedges for the three-month and six-month periods ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollar amounts in thousands)	**2015**	2014	**2015**	2014
Derivatives in cash flow hedging relationships				
Interest rate contracts				
Loans	**$ 133**	$ (161)	**$ (30)**	$ (29)

Derivatives used in trading activities

Various derivative financial instruments are offered to enable customers to meet their financing and investing objectives and for their risk management purposes. Derivative financial instruments used in trading activities consisted of commodity, interest rate, and foreign exchange contracts. The derivative contracts grant the option holder the right to buy or sell an underlying financial instrument for a predetermined price before the contract expires. Huntington may enter into offsetting third-party contracts with approved, reputable counterparties with substantially matching terms and currencies in order to economically hedge significant exposure related to derivatives used in trading activities.

Commodity derivatives help the customer hedge risk and reduce exposure to price changes in commodities. Activity related to commodity derivatives is concentrated in large corporate, middle market, and energy sectors. Commodities markets trade and include oil, refined products, natural gas, coal, as well as industrial and precious metals. The energy sector focuses on oil, gas, and coal. Based on policy limits and the relatively small notional amounts of commodity activity, we do not anticipate any meaningful price risk for our commodity derivatives. Interest rate options grant the option holder the right to buy or sell an underlying financial instrument for a predetermined price before the contract expires. Interest rate futures are commitments to either purchase or sell a financial instrument at a future date for a specified price or yield and may be settled in cash or through delivery of the underlying financial instrument. Interest rate caps and floors are option-based contracts that entitle the buyer to receive cash payments based on the difference between a designated reference rate and a strike price, applied to a notional amount. Written options, primarily caps, expose Huntington to market risk but not credit risk. Purchased options contain both credit and market risk. The interest rate risk of these customer derivatives is mitigated by entering into similar derivatives having offsetting terms with other counterparties. The credit risk to these customers is evaluated and included in the calculation of fair value. Foreign currency derivatives help the customer hedge risk and reduce exposure to fluctuations in exchange rates. Transactions are primarily in liquid currencies with Canadian dollars and Euros comprising a majority of all transactions.

The net fair values of these derivative financial instruments, for which the gross amounts are included in accrued income and other assets or accrued expenses and other liabilities at June 30, 2015 and December 31, 2014, were $74.0 million and $74.4 million, respectively. The total notional values of derivative financial instruments used by Huntington on behalf of customers, including offsetting derivatives, were $15.3 billion and $14.4 billion at June 30, 2015 and December 31, 2014, respectively. Huntington's credit risks from interest rate swaps used for trading purposes were $200.0 million and $219.3 million at the same dates, respectively.

Huntington manages credit risk of its derivative positions by diversifying its positions among various counterparties, entering into master netting arrangements where possible with its counterparties, requiring collateral and, in certain cases, transferring the counterparty credit risk related to interest rate swaps to and from other financial institutions through the use of risk participation arrangements. Huntington's notional exposure for interest rate swaps originated by other financial institutions was $416.5 million and $456.7 million at June 30, 2015 and December 31, 2014, respectively. The fair value of these risk participations was $7.2 million at June 30, 2015 and December 31, 2014. Huntington will make payments under these agreements if a customer defaults on its obligation to perform under the terms of the underlying interest rate derivative contract. These contracts mature between 2015 and 2043 and are deemed investment grade.

Financial assets and liabilities that are offset in the Condensed Consolidated Balance Sheets

Huntington records derivatives at fair value as further described in Note 14. Huntington records these derivatives net of any master netting arrangement in the Unaudited Condensed Consolidated Balance Sheets. Collateral agreements are regularly entered into as part of the underlying derivative agreements with Huntington's counterparties to mitigate counterparty credit risk.

All derivatives are carried on the Unaudited Condensed Consolidated Balance Sheets at fair value. Derivative balances are presented on a net basis taking into consideration the effects of legally enforceable master netting agreements. Cash collateral exchanged with counterparties is also netted against the applicable derivative fair values. Huntington enters into derivative transactions with two primary groups: broker-dealers and banks, and Huntington's customers. Different methods are utilized for managing counterparty credit exposure and credit risk for each of these groups.

Huntington enters into transactions with broker-dealers and banks for various risk management purposes. These types of transactions generally are high dollar volume. Huntington enters into bilateral collateral and master netting agreements with these counterparties, and routinely exchange cash and high quality securities collateral with these counterparties. Huntington enters into transactions with customers to meet their financing, investing, payment and risk management needs. These types of transactions generally are low dollar volume. Huntington generally enters into master netting agreements with customer counterparties, however collateral is generally not exchanged with customer counterparties.

At June 30, 2015 and December 31, 2014, aggregate credit risk associated with these derivatives, net of collateral that has been pledged by the counterparty, was $17.1 million and $19.5 million, respectively. The credit risk associated with interest rate swaps is calculated after considering master netting agreements with broker-dealers and banks.

At June 30, 2015, Huntington pledged $79.9 million of investment securities and cash collateral to counterparties, while other counterparties pledged $140.1 million of investment securities and cash collateral to Huntington to satisfy collateral netting agreements. In the event of credit downgrades, Huntington would not be required to provide additional collateral.

The following tables present the gross amounts of these assets and liabilities with any offsets to arrive at the net amounts recognized in the Unaudited Condensed Consolidated Balance Sheets at June 30, 2015 and December 31, 2014:

Offsetting of Financial Assets and Derivative Assets

					Gross amounts not offset in the condensed consolidated balance sheets		
(dollar amounts in thousands)		Gross amounts of recognized assets	Gross amounts offset in the condensed consolidated balance sheets	Net amounts of assets presented in the condensed consolidated balance sheets	Financial instruments	Cash collateral received	Net amount
Offsetting of Financial Assets and Derivative Assets							
June 30, 2015	Derivatives	**$ 493,374**	**$ (115,745)**	**$ 377,629**	**$(38,544)**	**$ (3,688)**	**$335,397**
December 31, 2014	Derivatives	480,803	(128,161)	352,642	(27,744)	(1,095)	323,803

Offsetting of Financial Liabilities and Derivative Liabilities

					Gross amounts not offset in the condensed consolidated balance sheets		
(dollar amounts in thousands)		Gross amounts of recognized liabilities	Gross amounts offset in the condensed consolidated balance sheets	Net amounts of liabilities presented in the condensed consolidated balance sheets	Financial instruments	Cash collateral delivered	Net amount
Offsetting of Financial Liabilities and Derivative Liabilities							
June 30, 2015	Derivatives	**$ 332,479**	**$ (39,335)**	**$ 293,144**	**$(59,024)**	**$ (268)**	**$233,852**
December 31, 2014	Derivatives	363,192	(78,937)	284,255	(78,654)	(111)	205,490

Derivatives used in mortgage banking activities

Huntington also uses certain derivative financial instruments to offset changes in value of its residential MSRs. These derivatives consist primarily of forward interest rate agreements and forward commitments to deliver mortgage-backed securities. The derivative instruments used are not designated as hedges. Accordingly, such derivatives are recorded at fair value with changes in fair value reflected in mortgage banking income. The following table summarizes the derivative assets and liabilities used in mortgage banking activities

(dollar amounts in thousands)	**June 30, 2015**	December 31, 2014
Derivative assets:		
Interest rate lock agreements	**$ 6,399**	$ 4,064
Forward trades and options	**6,681**	35
Total derivative assets	**13,080**	4,099
Derivative liabilities:		
Interest rate lock agreements	**(788)**	(259)
Forward trades and options	**(556)**	(3,760)
Total derivative liabilities	**(1,344)**	(4,019)
Net derivative asset (liability)	**$11,736**	$ 80

The total notional value of these derivative financial instruments at June 30, 2015 and December 31, 2014, was $0.7 billion and $0.6 billion, respectively. The total notional amount at June 30, 2015, corresponds to trading assets with a fair value of $1.8 million and trading liabilities with a fair value of $1.3 million. Net trading gains and (losses) related to MSR hedging for the three-month periods ended June 30, 2015 and 2014, were $(8.5) million and $2.3 million, and $(3.8) million and $4.0 million for the six-month periods ended June 30, 2015 and 2014, respectively. These amounts are included in mortgage banking income in the Unaudited Condensed Consolidated Statements of Income.

16. VIEs

Consolidated VIEs

Consolidated VIEs at June 30, 2015, consisted of certain loan and lease securitization trusts. Huntington has determined the trusts are VIEs. Huntington has concluded that it is the primary beneficiary of these trusts because it has the power to direct the activities of the entity that most significantly affect the entity's economic performance and it has either the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. During the 2015 first quarter, Huntington acquired two securitization trusts with its acquisition of HTF.

The following tables present the carrying amount and classification of the consolidated trusts' assets and liabilities that were included in the Unaudited Condensed Consolidated Balance Sheets at June 30, 2015 and December 31, 2014:

	June 30, 2015			
	Huntington Technology Funding Trust			
(dollar amounts in thousands)	Series 2012A	Series 2014A	Other Consolidated Trusts	Total
Assets:				
Cash	$ —	$ —	$ —	$ —
Loans and leases	50,844	209,594	—	260,438
Allowance for loan and lease losses	—	—	—	—
Net loans and leases	50,844	209,594	—	260,438
Accrued income and other assets	—	—	229	229
Total assets	$50,844	$209,594	$ 229	$260,667
Liabilities:				
Other long-term debt	$42,103	$176,996	$ —	$219,099
Accrued interest and other liabilities	—	—	229	229
Total liabilities	$42,103	$176,996	$ 229	$219,328
Equity:				
Beneficial Interest owned by third party	$ 8,741	$ 32,598	$ —	$ 41,339
Total liabilities and equity	$50,844	$209,594	$ 229	$260,667

	December 31, 2014	
(dollar amounts in thousands)	Other Consolidated Trusts	Total
Assets:		
Cash	$ —	$ —
Loans and leases	—	—
Allowance for loan and lease losses	—	—
Net loans and leases	—	—
Accrued income and other assets	243	243
Total assets	$ 243	$ 243
Liabilities:		
Other long-term debt	$ —	$ —
Accrued interest and other liabilities	243	243
Total liabilities	$ 243	$ 243
Equity:		
Beneficial Interest owned by third party	$ —	$ —
Total liabilities and equity	$ 243	$ 243

The loans and leases were designated to repay the securitized notes. Huntington services the loans and leases and uses the proceeds from principal and interest payments to pay the securitized notes during the amortization period. Huntington has not provided financial or other support that was not previously contractually required.

Unconsolidated VIEs

The following tables provide a summary of the assets and liabilities included in Huntington’s Unaudited Condensed Consolidated Financial Statements, as well as the maximum exposure to losses, associated with its interests related to unconsolidated VIEs for which Huntington holds an interest, but is not the primary beneficiary, to the VIE at June 30, 2015, and December 31, 2014:

	June 30, 2015		
(dollar amounts in thousands)	**Total Assets**	**Total Liabilities**	**Maximum Exposure to Loss**
2015-1 Automobile Trust	**$ 10,838**	**$ —**	**$ 10,838**
2012-1 Automobile Trust	**895**	**—**	**895**
2012-2 Automobile Trust	**1,836**	**—**	**1,836**
2011 Automobile Trust	**386**	**—**	**386**
Tower Hill Securities, Inc.	**46,688**	**65,000**	**46,688**
Trust Preferred Securities	**13,919**	**317,090**	**—**
Low Income Housing Tax Credit Partnerships	**397,297**	**174,573**	**397,297**
Other Investments	**84,050**	**25,387**	**84,050**
Total	**$ 545,071**	**$ 582,050**	**$ 531,152**

	December 31, 2014		
(dollar amounts in thousands)	Total Assets	Total Liabilities	Maximum Exposure to Loss
2012-1 Automobile Trust	$ 2,136	$ —	$ 2,136
2012-2 Automobile Trust	3,220	—	3,220
2011 Automobile Trust	944	—	944
Tower Hill Securities, Inc.	55,611	65,000	55,611
Trust Preferred Securities	13,919	317,075	—
Low Income Housing Tax Credit Partnerships	368,283	154,861	368,283
Other Investments	83,400	20,760	83,400
Total	$ 527,513	$ 557,696	$ 513,594

2015-1, 2012-1, 2012-2, and 2011 AUTOMOBILE TRUST

During the 2015 second quarter, 2012 fourth quarter, 2012 first quarter and 2011 third quarter, we transferred automobile loans totaling $0.8 billion, $1.0 billion, $1.3 billion and $1.0 billion, respectively, to trusts in securitization transactions. The securitizations and the resulting sale of all underlying securities qualified for sale accounting. Huntington has concluded that it is not the primary beneficiary of these trusts because it has neither the obligation to absorb losses of the entities that could potentially be significant to the VIEs nor the right to receive benefits from the entities that could potentially be significant to the VIEs. Huntington is not required and does not currently intend to provide any additional financial support to the trusts. Investors and creditors only have recourse to the assets held by the trusts. The interest Huntington holds in the VIEs relates to servicing rights which are included within accrued income and other assets of Huntington’s Unaudited Condensed Consolidated Balance Sheets. The maximum exposure to loss is equal to the carrying value of the servicing asset.

During the 2015 third quarter, Huntington cancelled the 2011 Automobile Trust. As a result, any remaining assets at the time of the cancellation will no longer be part of the trust.

TOWER HILL SECURITIES, INC.

In 2010, we transferred approximately $92.1 million of municipal securities, $86.0 million in Huntington Preferred Capital, Inc. (Real Estate Investment Trust) Class E Preferred Stock and cash of $6.1 million to Tower Hill Securities, Inc. in exchange for $184.1 million of Common and Preferred Stock of Tower Hill Securities, Inc. The municipal securities and the REIT Shares will be used to satisfy $65.0 million of mandatorily redeemable securities issued by Tower Hill Securities, Inc. and are not available to satisfy the general debts and obligations of Huntington or any consolidated affiliates. The transfer was recorded as a secured financing. Interests held by Huntington consist of municipal securities within available for sale and other securities and Series B preferred securities within other long term debt of Huntington’s Unaudited Condensed Consolidated Balance Sheets. The maximum exposure to loss is equal to the carrying value of the municipal securities.

TRUST PREFERRED SECURITIES

Huntington has certain wholly-owned trusts whose assets, liabilities, equity, income, and expenses are not included within Huntington's Unaudited Condensed Consolidated Financial Statements. These trusts have been formed for the sole purpose of issuing trust-preferred securities, from which the proceeds are then invested in Huntington junior subordinated debentures, which are reflected in Huntington's Unaudited Condensed Consolidated Balance Sheets as subordinated notes. The trust securities are the obligations of the trusts, and as such, are not consolidated within Huntington's Unaudited Condensed Consolidated Financial Statements. A list of trust preferred securities outstanding at June 30, 2015 follows:

(dollar amounts in thousands)	Rate	Principal amount of subordinated note/ debenture issued to trust (1)	Investment in unconsolidated subsidiary
Huntington Capital I	0.98%(2)	$ 111,816	$ 6,186
Huntington Capital II	0.91(3)	54,593	3,093
Sky Financial Capital Trust III	1.68(4)	72,165	2,165
Sky Financial Capital Trust IV	1.67(4)	74,320	2,320
Camco Financial Trust	2.72(5)	4,196	155
Total		$ 317,090	$ 13,919

(1) Represents the principal amount of debentures issued to each trust, including unamortized original issue discount.
(2) Variable effective rate at June 30, 2015, based on three month LIBOR + 0.70.
(3) Variable effective rate at June 30, 2015, based on three month LIBOR + 0.625.
(4) Variable effective rate at June 30, 2015, based on three month LIBOR + 1.40.
(5) Variable effective rate (including impact of purchase accounting accretion) at June 30, 2015, based on three month LIBOR + 1.33.

Each issue of the junior subordinated debentures has an interest rate equal to the corresponding trust securities distribution rate. Huntington has the right to defer payment of interest on the debentures at any time, or from time-to-time for a period not exceeding five years provided that no extension period may extend beyond the stated maturity of the related debentures. During any such extension period, distributions to the trust securities will also be deferred and Huntington's ability to pay dividends on its common stock will be restricted. Periodic cash payments and payments upon liquidation or redemption with respect to trust securities are guaranteed by Huntington to the extent of funds held by the trusts. The guarantee ranks subordinate and junior in right of payment to all indebtedness of the Company to the same extent as the junior subordinated debt. The guarantee does not place a limitation on the amount of additional indebtedness that may be incurred by Huntington.

LOW INCOME HOUSING TAX CREDIT PARTNERSHIPS

Huntington makes certain equity investments in various limited partnerships that sponsor affordable housing projects utilizing the Low Income Housing Tax Credit (LIHTC) pursuant to Section 42 of the Internal Revenue Code. The purpose of these investments is to achieve a satisfactory return on capital, to facilitate the sale of additional affordable housing product offerings, and to assist in achieving goals associated with the Community Reinvestment Act. The primary activities of the limited partnerships include the identification, development, and operation of multi family housing that is leased to qualifying residential tenants. Generally, these types of investments are funded through a combination of debt and equity.

Huntington is a limited partner in each Low Income Housing Tax Credit Partnership. A separate unrelated third party is the general partner. Each limited partnership is managed by the general partner, who exercises full and exclusive control over the affairs of the limited partnership. Duties entrusted to the general partner of each limited partnership include, but are not limited to: investment in operating companies, company expenditures, investment of excess funds, borrowing funds, employment of agents, disposition of fund property, prepayment and refinancing of liabilities, votes and consents, contract authority, disbursement of funds, accounting methods, tax elections, bank accounts, insurance, litigation, cash reserve, and use of working capital reserve funds. Except for limited rights granted to consent to certain transactions, the limited partner(s) may not participate in the operation, management, or control of the limited partnership's business, transact any business in the limited partnership's name or have any power to sign documents for or otherwise bind the limited partnership. In addition, the general partner may only be removed by the limited partner(s) in the event the general partner fails to comply with the terms of the agreement and/or is negligent in performing its duties.

Huntington believes the general partner of each limited partnership has the power to direct the activities which most significantly affect the performance of each partnership, therefore, Huntington has determined that it is not the primary beneficiary of any LIHTC partnership. Huntington uses the proportional amortization method to account for a majority of its investments in these entities. These investments are included in accrued income and other assets. Investments that do not meet the requirements of the proportional amortization method are recognized using the equity method. Investment gains/losses related to these investments are included in non-interest-income in the Unaudited Condensed Consolidated Statements of Income.

The following table presents the balances of Huntington's affordable housing tax credit investments and related unfunded commitments at June 30, 2015 and December 31, 2014.

(dollar amounts in thousands)	June 30, 2015	December 31, 2014
Affordable housing tax credit investments	**$ 625,465**	$ 576,381
Less: amortization	**(228,167)**	(208,098)
Net affordable housing tax credit investments	**$ 397,298**	$ 368,283
Unfunded commitments	**$ 174,573**	$ 154,861

The following table presents other information relating to Huntington's affordable housing tax credit investments for the three-month six-month periods ended June 30, 2015 and 2014.

(dollar amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	**2015**	2014
Tax credits and other tax benefits recognized	**$14,434**	$13,744	**$30,181**	$28,061
Proportional amortization method				
Tax credit amortization expense included in provision for income taxes	**11,218**	9,518	**22,292**	18,877
Equity method				
Tax credit investment losses included in non-interest income	**147**	223	**294**	446

Huntington recognized immaterial impairment losses on tax credit investments during the three-month periods ended June 30, 2015 and 2014.

OTHER INVESTMENTS

Other investments determined to be VIE's include investments in New Market Tax Credit Investments, Historic Tax Credit Investments, Small Business Investment Companies, Rural Business Investment Companies, certain equity method investments and other miscellaneous investments.

17. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments to extend credit

In the ordinary course of business, Huntington makes various commitments to extend credit that are not reflected in the Unaudited Condensed Consolidated Financial Statements. The contractual amounts of these financial agreements at June 30, 2015 and December 31, 2014, were as follows:

(dollar amounts in thousands)	June 30, 2015	December 31, 2014
Contract amount represents credit risk:		
Commitments to extend credit		
Commercial	**$10,898,478**	$11,181,522
Consumer	**8,053,179**	7,579,632
Commercial real estate	**925,688**	908,112
Standby letters-of-credit	**487,366**	497,457
Commercial letters-of-credit	**24,662**	36,460

Commitments to extend credit generally have fixed expiration dates, are variable-rate, and contain clauses that permit Huntington to terminate or otherwise renegotiate the contracts in the event of a significant deterioration in the customer's credit quality. These arrangements normally require the payment of a fee by the customer, the pricing of which is based on prevailing market conditions, credit quality, probability of funding, and other relevant factors. Since many of these commitments are expected to expire without being drawn upon, the contract amounts are not necessarily indicative of future cash requirements. The interest rate risk arising from these financial instruments is insignificant as a result of their predominantly short-term, variable-rate nature.

Standby letters-of-credit are conditional commitments issued to guarantee the performance of a customer to a third party. These guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. Most of these arrangements mature within two years. The carrying amount of deferred revenue associated with these guarantees was $6.9 million and $4.4 million at June 30, 2015 and December 31, 2014, respectively.

Through the Company's credit process, Huntington monitors the credit risks of outstanding standby letters-of-credit. When it is probable that a standby letter-of-credit will be drawn and not repaid in full, losses are recognized in the provision for credit losses. At June 30, 2015, Huntington had $487.3 million of standby letters-of-credit outstanding, of which 81% were collateralized. Included in this $487.3 million total are letters-of-credit issued by the Bank that support securities that were issued by customers and remarketed by The Huntington Investment Company, the Company's broker-dealer subsidiary.

Huntington uses an internal grading system to assess an estimate of loss on its loan and lease portfolio. This same loan grading system is used to monitor credit risk associated with standby letters-of-credit. Under this grading system as of June 30, 2015, approximately $161 million of the standby letters-of-credit were rated strong with sufficient asset quality, liquidity, and good debt capacity and coverage; approximately $327 million were rated average with acceptable asset quality, liquidity, and modest debt capacity; and approximately less than $1 million were rated substandard with negative financial trends, structural weaknesses, operating difficulties, and higher leverage.

Commercial letters-of-credit represent short-term, self-liquidating instruments that facilitate customer trade transactions and generally have maturities of no longer than 90 days. The goods or cargo being traded normally secures these instruments.

Commitments to sell loans

Activity related to our mortgage origination activity supports the hedging of the mortgage pricing commitments to customers and the secondary sale to third parties. At June 30, 2015 and December 31, 2014, Huntington had commitments to sell residential real estate loans of $807.9 million and $545.0 million, respectively. These contracts mature in less than one year.

Litigation

The nature of Huntington's business ordinarily results in a certain amount of pending as well as threatened claims, litigation, investigations, regulatory and legal and administrative cases, matters and proceedings, all of which are considered incidental to the normal conduct of business. When the Company determines it has meritorious defenses to the claims asserted, it vigorously defends itself. The Company considers settlement of cases when, in Management's judgment, it is in the best interests of both the Company and its shareholders to do so.

On at least a quarterly basis, Huntington assesses its liabilities and contingencies in connection with threatened and outstanding legal cases, matters and proceedings, utilizing the latest information available. For cases, matters and proceedings where it is both probable the Company will incur a loss and the amount can be reasonably estimated, Huntington establishes an accrual for the loss. Once established, the accrual is adjusted as appropriate to reflect any relevant developments. For cases, matters or proceedings where a loss is not probable or the amount of the loss cannot be estimated, no accrual is established.

In certain cases, matters and proceedings, exposure to loss exists in excess of the accrual to the extent such loss is reasonably possible, but not probable. Management believes an estimate of the aggregate range of reasonably possible losses, in excess of amounts accrued, for current legal proceedings is from $0 to approximately $105.0 million at June 30, 2015. For certain other cases, and matters, Management cannot reasonably estimate the possible loss at this time. Any estimate involves significant judgment, given the varying stages of the proceedings (including the fact that many of them are currently in preliminary stages), the existence of multiple defendants in several of the current proceedings whose share of liability has yet to be determined, the numerous unresolved issues in many of the proceedings, and the inherent uncertainty of the various potential outcomes of such proceedings. Accordingly, Management's estimate will change from time-to-time, and actual losses may be more or less than the current estimate.

While the final outcome of legal cases, matters, and proceedings is inherently uncertain, based on information currently available, advice of counsel, and available insurance coverage, Management believes that the amount it has already accrued is adequate and any incremental liability arising from the Company's legal cases, matters, or proceedings will not have a material negative adverse effect on the Company's consolidated financial position as a whole. However, in the event of unexpected future developments, it is possible that the ultimate resolution of these cases, matters, and proceedings, if unfavorable, may be material to the Company's consolidated financial position in a particular period.

The Bank has been named a defendant in two lawsuits, arising from the Bank's commercial lending, depository, and equipment leasing relationships with Cyberco Holdings, Inc. (Cyberco), based in Grand Rapids, Michigan. In November 2004, the Federal Bureau of Investigation and the Internal Revenue Service raided Cyberco's facilities and Cyberco's operations ceased. An equipment leasing fraud was uncovered, whereby Cyberco sought financing from equipment lessors and financial institutions, including the Bank, allegedly to purchase computer equipment from Teleservices Group, Inc. (Teleservices). Cyberco created fraudulent documentation to close the financing transactions when, in fact, no computer equipment was ever purchased or leased from Teleservices, which later proved to be a shell corporation.

Cyberco filed a Chapter 7 bankruptcy petition on December 9, 2004, and a state court receiver for Teleservices then filed a Chapter 7 bankruptcy petition for Teleservices on January 21, 2005. In an adversary proceeding commenced against the Bank on December 8, 2006, the Cyberco bankruptcy trustee sought recovery of over $70.0 million he alleged was transferred to the Bank. The Cyberco bankruptcy trustee also alleged preferential transfers were made to the Bank in the amount of approximately $1.2 million. The Bank moved to dismiss the complaint and all but the preference claims were dismissed on January 29, 2008. The Bankruptcy Court ordered the case to be tried in July 2012, and entered an order governing all pretrial conduct. The Bank filed a motion for summary judgment on the basis that the Cyberco trustee sought recovery of the same alleged transfers as the Teleservices trustee in a separate case described below. The Bankruptcy Court granted the motion in principal part and the parties stipulated to a full dismissal which was entered on June 19, 2012.

The Teleservices bankruptcy trustee filed a separate adversary proceeding against the Bank on January 19, 2007, seeking to avoid and recover alleged transfers that occurred in two ways: (1) checks made payable to the Bank for application to Cyberco's indebtedness to the Bank, and (2) deposits into Cyberco's bank accounts with the Bank. A trial was held as to only the Bank's defenses. Subsequently, the trustee filed a summary judgment motion on her affirmative case, alleging the fraudulent transfers to the Bank totaled approximately $73.0 million and seeking judgment in that amount (which includes the $1.2 million alleged to be preferential transfers by the Cyberco bankruptcy trustee). On March 17, 2011, the Bankruptcy Court issued an Opinion determining that the alleged transfers made to the Bank during the period from April 30, 2004 through November 2004 were not received in good faith and that the Bank failed to show a lack of knowledge of the avoidability of the alleged transfers made from September 2003 through November 2004. The trustee then filed an amended motion for summary judgment in her affirmative case and a hearing was held on July 1, 2011.

On March 30, 2012, the Bankruptcy Court issued an Opinion on the Teleservices trustee's motion determining the Bank was the initial transferee of the checks made payable to it and was a subsequent transferee of all deposits into Cyberco's accounts. The Bankruptcy Court ruled Cyberco's deposits were themselves transfers to the Bank under the Bankruptcy Code, and the Bank was liable for both the checks and the deposits, totaling approximately $ 73.0 million. The Bankruptcy Court delivered its report and recommendation to the District Court for the Western District of Michigan, recommending that the District Court enter a final judgment against the Bank in the principal amount of $ 71.8 million, plus interest through July 27, 2012, in the amount of $ 8.8 million. The parties filed their respective objections and responses to the Bankruptcy Court's report and recommendation. The District Court held a hearing in September 2014 and is conducting a de novo review of the fact findings and legal conclusions in the Bankruptcy Court's report and recommendation. It has not issued a ruling to date.

The Bank is a defendant in an action filed on January 17, 2012 against MERSCORP, Inc. and numerous other financial institutions that participate in the mortgage electronic registration system (MERS). The putative class action was filed on behalf of all 88 counties in Ohio. The plaintiffs allege that the recording of mortgages and assignments thereof is mandatory under Ohio law and seek a declaratory judgment that the defendants are required to record every mortgage and assignment on real property located in Ohio and pay the attendant statutory recording fees. The complaint also seeks damages, attorney's fees and costs. Huntington filed a motion to dismiss the complaint, which has been fully briefed, but no ruling has been issued by the Geauga County, Ohio Court of Common Pleas. Similar litigation has been initiated against MERSCORP, Inc. and other financial institutions in other jurisdictions throughout the country, however, the Bank has not been named a defendant in those other cases.

The Bank is a defendant in a putative class action filed on October 15, 2013. The plaintiffs filed the action in West Virginia state court on behalf of themselves and other West Virginia mortgage loan borrowers who allege they were charged late fees in violation of West Virginia law and the loan documents. Plaintiffs seek statutory civil penalties, compensatory damages and attorney's fees. The Bank removed the case to federal court, answered the complaint, and, on January 17, 2014, filed a motion for judgment on the pleadings, asserting that West Virginia law is preempted by federal law and therefore does not apply to the Bank. Following further briefing by the parties, the federal district court denied the Bank's motion for judgment on the pleadings on September 26, 2014. On June 8, 2015, the Fourth Circuit Court of Appeals granted the Bank's motion for an interlocutory appeal of the district court's decision.

18. SEGMENT REPORTING

Our business segments are based on our internally-aligned segment leadership structure, which is how we monitor results and assess performance. We have five major business segments: Retail and Business Banking, Commercial Banking, Automobile Finance and Commercial Real Estate (AFCRE), Regional Banking and The Huntington Private Client Group (RBHPCG), and Home Lending. The Treasury / Other function includes our technology and operations, other unallocated assets, liabilities, revenue, and expense. Descriptions of our five business segments can be found in the Business section included in Item 1 of our 2014 Form 10-K.

Listed below is certain operating basis financial information reconciled to Huntington's June 30, 2015, December 31, 2014, and June 30, 2014, reported results by business segment:

	Three Months Ended June 30,						
Income Statements *(dollar amounts in thousands)*	Retail & Business Banking	Commercial Banking	AFCRE	RBHPCG	Home Lending	Treasury/ Other	Huntington Consolidated
2015							
Net interest income	**$256,921**	**$ 94,413**	**$ 95,042**	**$27,751**	**$16,353**	**$ 206**	**$ 490,686**
Provision (reduction in allowance) for credit losses	**19,401**	**(3,027)**	**3,498**	**1,596**	**(1,049)**	**—**	**20,419**
Noninterest income	**112,938**	**70,344**	**11,574**	**37,963**	**31,976**	**16,978**	**281,773**
Noninterest expense	**260,344**	**76,373**	**37,855**	**63,220**	**41,639**	**12,346**	**491,777**
Income taxes	**31,540**	**31,994**	**22,842**	**314**	**2,709**	**(25,342)**	**64,057**
Net income	**$ 58,574**	**$ 59,417**	**$ 42,421**	**$ 584**	**$ 5,030**	**$ 30,180**	**$ 196,206**
2014							
Net interest income	$228,343	$ 76,980	$ 97,304	$25,722	$14,349	$ 17,350	$ 460,048
Provision (reduction in allowance) for credit losses	33,974	8,499	(17,542)	(145)	4,599	—	29,385
Noninterest income	107,533	50,305	9,047	46,870	18,821	17,491	250,067
Noninterest expense	245,839	65,453	38,690	60,025	32,843	15,786	458,636
Income taxes	19,622	18,667	29,821	4,449	(1,495)	(13,589)	57,475
Net income	$ 36,441	$ 34,666	$ 55,382	$ 8,263	$ (2,777)	$ 32,644	$ 164,619

Income Statements (dollar amounts in thousands)	Retail & Business Banking	Commercial Banking	AFCRE	RBHPCG	Home Lending	Treasury/ Other	Huntington Consolidated
	Six Months Ended June 30,						
2015							
Net interest income	**$505,571**	**$169,331**	**$190,204**	**$ 54,575**	**$ 31,630**	**$ 7,060**	**$ 958,371**
Provision for credit losses	**26,553**	**3,807**	**2,115**	**4,241**	**4,294**	**—**	**41,010**
Noninterest income	**208,696**	**125,237**	**16,249**	**78,388**	**50,634**	**34,192**	**513,396**
Noninterest expense	**516,525**	**132,790**	**74,033**	**121,848**	**77,427**	**28,011**	**950,634**
Income taxes	**59,916**	**55,290**	**45,607**	**2,406**	**190**	**(45,346)**	**118,063**
Net income	**$111,273**	**$102,681**	**$ 84,698**	**$ 4,468**	**$ 353**	**$ 58,587**	**$ 362,060**
2014							
Net interest income	$448,184	$147,923	$185,884	$ 51,160	$ 27,377	$ 37,026	$ 897,554
Provision for credit losses	41,434	20,046	(26,149)	2,174	16,510	—	54,015
Noninterest income	200,495	100,621	13,540	89,984	39,107	54,805	498,552
Noninterest expense	481,114	125,873	76,853	116,048	67,966	50,903	918,757
Income taxes	44,146	35,919	52,052	8,023	(6,297)	(24,271)	109,572
Net income	$ 81,985	$ 66,706	$ 96,668	$ 14,899	$(11,695)	$ 65,199	$ 313,762

(dollar amounts in thousands)	Assets at		Deposits at	
	June 30, 2015	December 31, 2014	**June 30, 2015**	December 31, 2014
Retail & Business Banking	**$ 15,685,507**	$ 15,146,857	**$ 29,983,334**	$ 29,350,255
Commercial Banking	**16,232,517**	15,043,477	**10,908,387**	11,184,566
AFCRE	**16,517,075**	16,027,910	**1,518,905**	1,377,921
RBHPCG	**3,453,395**	3,871,020	**7,265,046**	6,727,892
Home Lending	**4,076,919**	3,949,247	**339,631**	326,841
Treasury / Other	**12,880,235**	12,259,499	**3,457,876**	2,764,676
Total	**$ 68,845,648**	$ 66,298,010	**$ 53,473,179**	$ 51,732,151

19. BUSINESS COMBINATIONS

MACQUARIE EQUIPMENT FINANCE

On March 31, 2015, Huntington completed its acquisition of Macquarie, subsequently rebranded HTF, in a cash transaction valued at $457.8 million. The acquisition gives us the ability to drive added growth to our national equipment finance business as well as additional small business finance capabilities.

As a result of the acquisition, Huntington recorded approximately $1.1 billion of assets and assumed $616.6 million of debt, securitizations, and other liabilities. Assets acquired and liabilities assumed were recorded at fair value in accordance with ASC 805, “Business Combinations”. The fair values for assets were estimated using discounted cash flow analyses using interest rates currently being offered for leases with similar terms (Level 3). This value was reduced by an estimate of probable losses and the credit risk associated with leased assets. The fair values of debt, securitizations, and other liabilities were estimated by discounting cash flows using interest rates currently being offered with similar maturities (Level 3). As part of the acquisition, Huntington recorded $155.8 million of goodwill, all of which is deductible for tax purposes.

Pro forma results have not been disclosed, as those amounts are not significant to the unaudited condensed consolidated financial statements.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

Quantitative and qualitative disclosures for the current period can be found in the Market Risk section of this report, which includes changes in market risk exposures from disclosures presented in Huntington’s 2014 Form 10-K.

Item 4: Controls and Procedures

Disclosure Controls and Procedures

Huntington maintains disclosure controls and procedures designed to ensure that the information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, are recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Huntington’s Management, with the participation of its Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of Huntington’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon such evaluation, Huntington’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, Huntington’s disclosure controls and procedures were effective.

There have not been any changes in Huntington’s internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, Huntington’s internal controls over financial reporting.

PART II. OTHER INFORMATION

In accordance with the instructions to Part II, the other specified items in this part have been omitted because they are not applicable or the information has been previously reported.

Item 1: Legal Proceedings

Information required by this item is set forth in Note 17 of the Notes to Unaudited Condensed Consolidated Financial Statements included in Item 1 of this report and incorporated herein by reference.

Item 1A: Risk Factors

Information required by this item is set forth in Part 1 Item 2- Management’s Discussion and Analysis of Financial Condition and Results of Operations of this report and incorporated herein by reference.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) and (b)

Not Applicable

(c)

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares (or Approximate Dollar Value) that May Yet Be Purchased Under the Plans or Programs (2)
April 1, 2015 to April 30, 2015	1,590,700	$ 10.80	1,590,700	$ 348,820,440
May 1, 2015 to May 31, 2015	3,630,273	11.29	5,220,973	307,834,658
June 1, 2015 to June 30, 2015	3,612,890	11.29	8,833,863	267,045,130
Total	8,833,863	$ 11.20	8,833,863	$ 267,045,130

(1) The reported shares were repurchased pursuant to Huntington's publicly announced stock repurchase authorizations.
(2) The number shown represents, as of the end of each period, the maximum number of shares (approximate dollar value) of Common Stock that may yet be purchased under publicly announced stock repurchase authorizations. The shares may be purchased, from time-to-time, depending on market conditions.

On March 11, 2015, Huntington Bancshares Incorporated was notified by the Federal Reserve that it had no objection to Huntington's proposed capital actions included in Huntington's capital plan submitted to the Federal Reserve in January 2015. These actions included the potential repurchase of up to $366 million of common stock from the second quarter of 2015, through the second quarter of 2016. Huntington's board of directors authorized a share repurchase program consistent with Huntington's capital plan. During the 2015 second quarter, Huntington repurchased a total of 8.8 million shares at a weighted average share price of $11.20.

Item 6. Exhibits

Exhibit Index

This report incorporates by reference the documents listed below that we have previously filed with the SEC. The SEC allows us to incorporate by reference information in this document. The information incorporated by reference is considered to be a part of this document, except for any information that is superseded by information that is included directly in this document.

This information may be read and copied at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. The SEC also maintains an Internet web site that contains reports, proxy statements, and other information about issuers, like us, who file electronically with the SEC. The address of the site is *http://www.sec.gov*. The reports and other information filed by us with the SEC are also available at our Internet web site. The address of the site is *http://www.huntington.com*. Except as specifically incorporated by reference into this Quarterly Report on Form 10-Q, information on those web sites is not part of this report. You also should be able to inspect reports, proxy statements, and other information about us at the offices of the NASDAQ National Market at 33 Whitehall Street, New York, New York.

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference
3.1	Articles of Restatement of Charter.	Annual Report on Form 10-K for the year ended December 31, 1993	000-02525	3(i)
3.2	Articles of Amendment to Articles of Restatement of Charter.	Current Report on Form 8-K dated May 31, 2007	000-02525	3.1
3.3	Articles of Amendment to Articles of Restatement of Charter.	Current Report on Form 8-K dated May 7, 2008	000-02525	3.1
3.4	Articles of Amendment to Articles of Restatement of Charter.	Current Report on Form 8-K dated April 27, 2010	001-34073	3.1
3.5	Articles Supplementary of Huntington Bancshares Incorporated, as of April 22, 2008.	Current Report on Form 8-K dated April 22, 2008	000-02525	3.1
3.6	Articles Supplementary of Huntington Bancshares Incorporated, as of April 22. 2008.	Current Report on Form 8-K dated April 22, 2008	000-02525	3.2
3.7	Articles Supplementary of Huntington Bancshares Incorporated, as of November 12, 2008.	Current Report on Form 8-K dated November 12, 2008	001-34073	3.1

3.8	Articles Supplementary of Huntington Bancshares Incorporated, as of December 31, 2006.	Annual Report on Form 10-K for the year ended December 31, 2006	000-02525	3.4
3.9	Articles Supplementary of Huntington Bancshares Incorporated, as of December 28, 2011.	Current Report on Form 8-K dated December 28, 2011.	001-34073	3.1
3.10	Bylaws of Huntington Bancshares Incorporated, as amended and restated, as of July 16, 2014.	Current Report on Form 8-K dated July 17, 2014	001-34073	3.1
4.1	Instruments defining the Rights of Security Holders—reference is made to Articles Fifth, Eighth, and Tenth of Articles of Restatement of Charter, as amended and supplemented. Instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission upon request.			
10.1	Huntington Bancshares Incorporated 2015 Long-Term Incentive Plan.	Definitive Proxy Statement for the 2015 Annual Meeting of Shareholders	001-34073	A
10.2	* Form of 2015 Stock Option Grant Agreement			
10.3	* Form of 2015 Restricted Stock Unit Grant Agreement			
10.4	* Form of 2015 Performance Share Unit Grant Agreement			
31.1	Rule 13a-14(a) Certification – Chief Executive Officer.			
31.2	Rule 13a-14(a) Certification – Chief Financial Officer.			
32.1	Section 1350 Certification – Chief Executive Officer.			
32.2	Section 1350 Certification – Chief Financial Officer.			
101	The following material from Huntington’s Form 10-Q Report for the quarterly period ended June 30, 2015, formatted in XBRL: (1) Unaudited Condensed Consolidated Balance Sheets, (2) Unaudited Condensed Consolidated Statements of Income, (3) Unaudited Condensed Consolidated Statements of Comprehensive Income (4) Unaudited Condensed Consolidated Statement of Changes in Shareholders’ Equity, (5) Unaudited Condensed Consolidated Statements of Cash Flows, and (6) the Notes to Unaudited Condensed Consolidated Financial Statements.			

* Denotes management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Huntington Bancshares Incorporated
(Registrant)

Date: August 4, 2015	/s/ Stephen D. Steinour Stephen D. Steinour Chairman, Chief Executive Officer and President
Date: August 4, 2015	/s/ Howell D. McCullough III Howell D. McCullough III Chief Financial Officer

2015 STOCK OPTION GRANT AGREEMENT

Employee Name:

Number of Stock Options Subject to Grant:

Date of Grant:

Closing Price on Grant Date:

THIS STOCK OPTION GRANT AGREEMENT (this "Agreement") is made as of the date in the box above labeled "Date of Grant" by Huntington Bancshares Incorporated, a Maryland corporation and its subsidiaries (the "Company"), and is hereby communicated to the employee named in the box above (the "Employee"). Undefined capitalized terms used in this Agreement shall have the meanings set forth in the Company's 2015 Long-Term Incentive Plan as may be amended from time to time (the "Plan").

WHEREAS, the Company maintains the Plan.

WHEREAS, pursuant to Article 6 of the Plan, the Committee may grant awards of Stock Options to employees.

WHEREAS, the Company desires to compensate the Employee with a grant of Stock Options for the Employee's future services to the Company.

NOW, THEREFORE, in consideration of the premises, the Company grants the Employee an Award of Stock Options under the following terms and conditions:

1. Grant of Options.

The Company, by authority of the Committee, grants to the employee, named in the box above (the "Employee"), a grant of the number of Options identified above to be issued in accordance with all of the terms and conditions set forth in this Agreement and the Plan.

2. **<u>Vesting Provisions</u>.**

This Option has been granted from the Plan, effective as of the Date of Grant and will vest as follows:

(a) Except as otherwise provided herein, this Option will vest in equal increments on the anniversary date of each of the four years following the Date of Grant.

(b) Notwithstanding any provision in Section 2(a) above to the contrary, if, on or after the date that is six months after the Date of Grant and before the fourth anniversary of the Date of Grant, the employment of the Employee is terminated for reasons other than death, Disability, or Early or Normal Retirement, this Option shall be exercisable in accordance with Section 6.6 of the Plan. This generally means that the rights under each unvested Option shall be forfeited and any vested Option shall terminate upon the earlier of (1) the expiration of such Option, or (2) sixty (60) days after the Employee's termination of employment, unless such termination of employment was for Cause.

(c) Notwithstanding any provision in Section 2(a), or 2(b,) above to the contrary, if, on or after the date that is six months after the Date of Grant and before the fourth anniversary of the Date of Grant, the employment of the Employee is terminated because of Early Retirement, the vested Option shares shall remain exercisable through the expiration date described in Section 4 below, and the unvested Option Shares shall be immediately forfeited. For purposes of this Agreement, "Early Retirement" means that the Employee has terminated service with the Company for any reason other than Cause on or after attainment of age 55 and completion of at least 10 years of service.

(d) Notwithstanding any provision in Section 2(a), 2(b), or 2(c) above to the contrary, if, on or after the date that is six months after the Date of Grant and before the fourth anniversary of the Date of Grant, the employment of the Employee is terminated because of Normal Retirement, the Employee's service shall be deemed to have terminated on the fourth anniversary of the Date of Grant so that this Option shall be deemed to continue to vest on each anniversary of the Date of Grant. Notwithstanding the foregoing, the Employee may not exercise any Option shares that become vested under this Section 2(d) before the first anniversary of the date of Employee's termination after obtaining Normal Retirement. For purposes of this Agreement, "Normal Retirement" means that the Employee's service with the Company terminates for any reason other than Cause after attainment of age 59 $^{1}/_{2}$ and 4 years of service.

(e) Notwithstanding any provision in Section 2(a), 2(b), 2(c), or 2(d) above to the contrary, if, on or after the date that is six months after the Date of Grant and before the fourth anniversary of the Date of Grant, the employment of the Employee is terminated by reason of death or Disability, or if the Employee dies or becomes Disabled after Early or Normal Retirement, all such outstanding Options shall become exercisable in full, and the Employee or (in the case of the Employee's death) the executor or administrator of such Employee's estate or a person or persons who have acquired the Options directly from the Employee by bequest, inheritance, or by reason of written designation as a beneficiary on a form proscribed by the Company, shall have until the earlier of (i) the expiration dates of this Option or (ii) thirteen (13) months after the Employee's date of death or Disability, to exercise such Options.

(f) Notwithstanding any provision in items 2(a) - 2(e) above, if on December 31st before the applicable vesting date described in Section (a) above, the Company's Common Equity Tier 1 Risk-Based Capital Ratio ("CET 1") is less than the greater of (i) the CET 1 goal set forth in the Company's Capital Management Policy or (ii) the required minimum CET 1 established by the Federal Reserve, the Employee's stock options that otherwise would have vested on such date shall instead vest on the date that the Committee certifies that the Company's CET1 is greater than or equal to the applicable goal described in (i) or (ii) above (which shall be no later than March 15th of the year after the year in which such CET 1 goal is achieved). However, if the Company's CET 1 remains less than the applicable goal described in (i) and (ii) above on the December 31st of each of the two consecutive years after the otherwise applicable vesting date described in items (a)-(e) above or, if earlier, the date the Option otherwise expires under Section 4 of this Agreement, the Employee shall not vest in that 1/4 share of the stock options and shall instead forfeit such stock options.

(g) In the event of a Change in Control, all outstanding Option shares shall become immediately and fully vested and exercisable, and they shall remain exercisable through the expiration date described in Section 4 below if:

(1) within 12 months after a Change in Control occurs, the Employee's service has been terminated by the Company (provided that such termination is for a reason other than for Cause); or

(2) the Company previously terminated the Employee's service without Cause (i) during the year before the Change in Control was consummated, but (ii) after a third party or the Company had taken steps reasonably calculated to effect a Change in Control. In addition to items (i)-(ii) above, the Employee also must reasonably demonstrate that such termination of service was in connection with or in anticipation of the Change in Control.

(h) Notwithstanding anything herein to the contrary, in the event that the Employee's employment is terminated for Cause, the rights under each then outstanding Option granted to the Employee shall immediately terminate.

3. <u>Forfeiture Provisions</u>.

(a) To the extent the Employee fails to satisfy the vesting conditions of Section 2 of this Agreement, the Employee's stock options shall be forfeited.

(b) Notwithstanding any provision of this Agreement to the contrary, the Committee may cause the Employee to forfeit all stock options and require repayment of any amount previously paid under this Agreement in accordance with the terms of the Huntington Bancshares Incorporated Recoupment/Clawback Policy ("the Policy"), any other applicable policy of the Company, and any other applicable laws and regulations. The Policy is available on the Risk Management and Corporate Policy home page of the Huntington intranet.

(c) This stock option grant is subject to acceptance of all the terms, conditions and limitations of the Plan. The Plan may be amended from time to time, including but not limited to provisions on tax withholding and forfeiture. This stock option grant is subject to such rules and regulations that the Committee may adopt for administration of the Plan, and to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

4. Expiration of Option.

This Option will expire at midnight of the day prior to the tenth anniversary of the date of grant, or upon such earlier expiration date as provided in the Plan, and shall not be exercisable thereafter.

5. Option Exercise Price.

The Option price of this grant is equal to the Fair Market Value (the closing price) as quoted on the NASDAQ Global Select Market per share as specified in the Plan on the Date of Grant.

6. Exercise of Option and Withholding.

The Option may be exercised, in whole or part (for the purchase of whole shares only), electronically by complying with the requirements on Fidelity's web site and satisfying any other requirements that the Company may impose under Section 6.5 of the Plan. Payment of the exercise price shall be made in a manner approved by the Company under Section 6.5 of the Plan. The Company shall have the power and the right to deduct or withhold, or require the Employee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement. Tax and any other necessary withholding obligations shall be satisfied in a manner consistent with Article 19 of the Plan.

7. Securities Law Compliance.

No Option shares shall be purchased upon the exercise of the Option unless and until the Company and the Employee shall have complied with all applicable federal or state registration, listing, and qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction, unless the Company has received evidence satisfactory to it that the Employee may acquire such shares pursuant to an exemption from registration under the applicable securities laws. Any determination in this connection by the Company shall be final, binding, and conclusive. The Company reserves the right to legend any certificate for shares, conditioning sales of such shares upon compliance with applicable federal and state securities laws and regulations.

8. No Rights as Shareholder or Employee.

The Employee shall not have any voting rights as a stockholder of the Company or any other privileges of a stockholder of the Company with respect to any Option shares subject to (but not acquired upon valid exercise of) the Option, nor shall the Company have any obligation to issue any dividends or otherwise afford any rights to which shares are entitled with respect to any such Option shares, until the date of the issuance to the Employee of a stock certificate evidencing such shares.

The Employee understands and agrees that this Agreement does not impact in any way the right of the Company to terminate or change the terms of the employment of Employee at any time for any reason whatsoever, with or without Cause, nor confer upon any right to continue in the employ of the Company.

9. Non-Transferability of Option.

This Option may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated by the Employee, other than by will or by the laws of descent and distribution. Further, this Option shall be exercisable during his or her lifetime only by the Employee.

10. Plan Governs.

This Option is subject to acceptance of all the terms, conditions and limitations of the Plan, including Article 20 with respect to forfeitures. The Plan may be amended from time to time, including but not limited to provisions on tax withholding and forfeiture. This Option is subject to such rules and regulations that the Committee may adopt for administration of the Plan, and to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern. A copy of the Plan is available upon request by contacting the Human Resources Department at the Company's executive offices.

11. Governing Law.

Except to the extent preempted by federal law, this Agreement shall be construed and enforced in accordance with the laws of the State of Ohio, without giving effect to the choice of law principles thereof.

RESTRICTIVE COVENANTS

After review of this agreement, the Employee will be required to accept the terms and conditions of the grant. If this agreement is not accepted within 45 days of the distribution of this document, then the grant will be subject to forfeiture.

Non-Solicitation Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that during his or her employment with Huntington and for a period of one year after such employment ceases, either voluntarily or involuntary for any reason, he or she will not, either directly or indirectly:

1. Solicit, encourage, or induce any person employed by the Company, or attempt to solicit, encourage or induce any person employed by the Company, to terminate his or her employment with the Company or to seek or accept employment with any other person or entity; or
2. Contact or attempt to contact any customer or prospective customer of the Company for whom the Employee performed any services or had any direct or indirect business contact for the purposes of identifying his or her new association or his or her change of employment or current affiliation; or
3. Contact any customer of the Company for whom the Employee performed any services or had any direct or indirect business contact for the purpose of soliciting, influencing, enticing, attempting to divert, or inducing any such customers to obtain any product or service offered by the Company from any person or entity other than the Company; or
4. Contact any customer or prospective customer of the Company whose identity or other customer specific information the Employee obtained or gained access to as an employee of Company for the purpose of soliciting, influencing, enticing, attempting to divert, or inducing any such customers or prospective customers to obtain any product or service provided by the Company from any person or entity other than the Company; or
5. Accept or provide assistance in the accepting of business from any customers or any prospective customers of the Company for whom the Employee performed any services or had any direct or indirect business contact, or whose identity or other customer specific information the Employee obtained or gained access to as an employee of the Company.

Notwithstanding the foregoing non-solicitation provisions of this Agreement, if the Employee separates employment within one year following a Change in Control that is not pursuant to a transaction approved by the Huntington Bancshares Incorporated Board of Directors, then the Employee's obligations will cease as of the date of his or her employment termination.

Confidentiality Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that during his or her employment with Huntington and after such employment ceases, either voluntarily or involuntary for any reason, he or she will not, either directly or indirectly use proprietary information to solicit, influence, entice, attempt to divert, or induce any customer or prospective customer of the Company to terminate or reduce any business relationship with the Company or to obtain any product or service provided by the Company from any person or entity other than the Company. Proprietary information includes customer or prospective customer information, including names, addresses, telephone numbers, email addresses or other identifying or contact information, account or transactional information, and other personal, business or financial information, and also includes information concerning the Company's business plans and methods, market strategies, products and services, technology and computer systems, business techniques and processes, policies, procedures and training materials.

Non-Competition Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that if the Employee's service terminates because of Normal Retirement, the shares under this Option that continue to be vest under this Agreement will become vested and exercisable only if: (1) the date of the Employee's termination after obtaining Normal Retirement is at least 6 months after the Date of Grant; and (2) for a period of one (1) year after the date of the Employee's termination after obtaining Normal Retirement, he or she will not accept employment with or perform any competing services (to include, recruiting, financial modeling, vendor relationship management, and/or providing services that draw upon his knowledge of Huntington proprietary information) for any bank or bank affiliated broker dealer that has any material operations in any of Huntington's six (6) footprint states (Ohio, Indiana, Kentucky, Michigan, Pennsylvania, and West Virginia). "Material operations" means that it has more than 5% market share in any of Huntington's footprint states. "Bank affiliated" means owned by a bank or a bank holding company. The Employee agrees and acknowledges that for purposes of this Paragraph, "employment" and/or "perform any competing services" shall mean that the Employee is engaged as an agent, employee, director, owner, partner or consultant by any bank or bank affiliated broker dealer. If, and to the extent that, the Employee violates the terms of this non-competition provision, the continued vesting of the Employee's Option shares shall immediately cease, and the Employee shall forfeit any unvested Option shares.

Notwithstanding the foregoing restrictive covenants of this Agreement, if Employee separates employment within one year following a Change in Control that is not pursuant to a transaction approved by the Huntington Bancshares Incorporated Board of Directors, then Employee's obligations will cease as of the date of his or her employment termination.

The Company will not have any further obligations to the Employee under this Agreement if the Employee's grant is forfeited as provided herein.

This Agreement along with the 2015 Long-Term Incentive Plan Prospectus will be available by accessing your Fidelity account.

I also acknowledge that I am required to hold 50% of net shares released upon exercise (i.e., shares released to me net of the Option price and applicable taxes) until Early or Normal Retirement, or other departure from the Company.

I hereby accept the terms of this Agreement electronically through Fidelity.

Chairman, President, and Chief Executive Officer	Date

[Electronic Signature]

[Acceptance Date]

Exhibit 10.3

Huntington Bancshares Incorporated
Restricted Stock Unit Grant Agreement

2015 RESTRICTED STOCK UNIT GRANT AGREEMENT

Employee Name:

Number of Restricted Stock Units Subject to Grant:

Date of Grant:

Closing Price on Date of Grant:

THIS RESTRICTED STOCK UNIT GRANT AGREEMENT(this “Agreement”) is made as of the date in the box above labeled “Date of Grant” by Huntington Bancshares Incorporated, a Maryland corporation and its subsidiaries (the “Company”), and is hereby communicated to the employee named in the box above (the “Employee”). Undefined capitalized terms used in this Agreement shall have the meanings set forth in the Company’s 2015 Long-Term Incentive Plan as may be amended from time to time (the “Plan”).

WHEREAS, the Company maintains the Plan.

WHEREAS, pursuant to Article 8 of the Plan, the Committee may grant awards of Restricted Stock Units to employees, and have such grants settled in shares of the Company’s common stock (“Shares”).

WHEREAS, the Company desires to compensate the Employee with a grant of Restricted Stock Units for the Employee’s future services to the Company.

NOW, THEREFORE, in consideration of the premises, the Company grants the Employee an Award of Restricted Stock Units under the following terms and conditions:

1. Grant of Restricted Stock Units.

The Company, by authority of the Committee, hereby grants to the Employee an Award of the number of Restricted Stock Units identified above (the “Grant”) to be issued in accordance with all of the terms and conditions set forth in this Agreement and the Plan. The Restricted Stock Units will be a bookkeeping entry (the “RSU Account”), and each Restricted Stock Unit shall be equivalent to one Share. All terms and conditions set forth in the Plan are deemed to be incorporated herein in their entirety.

2. Employee RSU Account.

The number of Restricted Stock Units granted pursuant to this Agreement shall be credited to the Employee’s RSU Account. Each RSU Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Employee (or the Employee's beneficiaries if the Employee is deceased). No funds shall be set aside or earmarked for any RSU Account, which shall be purely a bookkeeping device.

3. Vesting Provisions.

(a) The Employee's RSUs shall vest only if both (i) the Employee satisfies the service-based vesting requirements in subsections (b), (c), or (d) below, as applicable, and (ii) the Committee certifies that the performance-based vesting requirement in subsection (e) below has been achieved.

(b) Except as provided in this Agreement, the Employee's Restricted Stock Units shall vest as follows:

(1) If the Employee is continuously employed by the Company through the third anniversary of the Date of Grant, 50% of the Employee's Restricted Stock Units in the Employee's Restricted Stock Unit Account will vest on such date.

(2) If the Employee is continuously employed by the Company through the fourth anniversary of the Date of Grant, the remaining 50% of the Employee's Restricted Stock Units in the Employee's Restricted Stock Unit Account will vest on such date.

(c) Notwithstanding any provision in Section 3(b) above to the contrary, if, on or after the date that is six months after the Date of Grant, and before the fourth anniversary of the Date of Grant, the Employee's employment or service with the Company terminates because of a Permitted Termination, the Employee shall vest in a prorated number of Shares (with any fractional Shares rounded up to the next whole number) equal to the number of Restricted Stock Units subject to Grant times one of the following two fractions, as applicable:

(1) If the Employee terminates service on or before the third anniversary of the Date of Grant, the numerator of the fraction shall be the number, which in no event shall be greater than 36, of all full and partial months (with partial months being counted as full months) that passed beginning with the month that contains the Date of Grant and ending with the month in which the Employee's termination occurred. The denominator of the fraction shall be 72.

(2) If the Employee terminates service after the third anniversary of the Date of Grant but before the fourth anniversary of the Date of Grant, the numerator of the fraction shall be the number, which in no event shall be greater than 12, of all full and partial months (with partial months being counted as full months) that passed beginning with the month that contains the third anniversary of the Date of Grant and ending with the month in which the Employee's termination occurred. The denominator of the fraction shall be 24. The number of shares in which the Employee vests under this subsection (c)(2) shall vest in addition to the number of shares previously vested under subsection (b)(1) above.

For purposes of this Agreement, a "Permitted Termination" means (i) the Employee's employment or service with the Company terminates due to Early Retirement, Disability, or death or (ii) the Company terminates the Employee without Cause (as defined in Section 2.5 of the Plan). For purposes of this Agreement and notwithstanding any provision of the Plan, including Section 2.38 of the Plan, to the contrary, "Early Retirement" means that the Employee has terminated service with the Company for any reason other than Cause on or after attainment of age 55 and completion of at least 10 years of service.

(d) Notwithstanding any provision in Section 3(b) or 3(c) above to the contrary, if, on or after the date that is six months after the Date of Grant, and before the fourth anniversary of the Date of Grant, the Employee's employment or service with the Company terminates for any reason other than Cause after attainment of age 59 1/2 and 4 years of service ("Normal Retirement"), the Employee's service shall be deemed to have terminated on the fourth anniversary of the Date of Grant so that the Employee's Restricted Stock Units shall be deemed to become fully vested on such date.

(e) Notwithstanding any provision in Section 3(b), 3(c), or 3(d) above to the contrary, if on December 31st before the applicable anniversary of the Date of Grant described in Section 3(b) above, the Company's Common Equity Tier 1 Risk-Based Capital Ratio ("CET 1") is less than the greater of (i) the CET 1 goal set forth in the Company's Capital Management Policy or (ii) the required minimum CET 1 established by the Federal Reserve, the Employee's Restricted Stock Units that otherwise would have vested upon satisfaction of the applicable service-based vesting requirements described above shall instead vest on the date that the Committee certifies that the Company's CET1 is greater than or equal to the applicable goal described in (i) or (ii) above (which shall be no later than March 15th of the year after the year in which such CET 1 goal is achieved). However, if the Company's CET 1 remains less than the applicable goal described in (i) and (ii) above on the December 31st of each of the two consecutive years after the otherwise applicable vesting date described in Section 3(b), 3(c), or 3(d) (as applicable) above, the Employee shall not vest in that 1/2 share of the Restricted Stock Units and shall instead forfeit such Restricted Stock Units.

4. <u>Forfeiture Provisions</u>.

(a) To the extent the Employee fails to satisfy the vesting conditions of Section 3 of this Agreement, the Employee's RSUs shall be forfeited.

(b) Notwithstanding any provision of this Agreement to the contrary, the Committee may cause the Employee to forfeit all unvested RSUs and require repayment of any amount previously paid under this Agreement in accordance with the terms of the Huntington

Bancshares Incorporated Recoupment/Clawback Policy (“the Policy”), any other applicable policy of the Company, and any other applicable laws and regulations. The Policy is available on the Risk Management and Corporate Policy home page of the Huntington intranet.

(c) Notwithstanding anything herein to the contrary, in the event that the Employee’s employment is terminated for Cause, the Employee shall forfeit any RSUs that were not previously vested before the date of termination.

(d) This RSU grant is subject to acceptance of all the terms, conditions and limitations of the Plan. The Plan may be amended from time to time, including but not limited to provisions on tax withholding and forfeiture. This RSU grant is subject to such rules and regulations that the Committee may adopt for administration of the Plan, and to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. By executing this Agreement, the Employee acknowledges that the joint service and performance-based vesting requirements under this Agreement are consistent with the vesting requirements for RSUs granted under the prior year’s agreements with a date of grant of May 1, 2014.

5. <u>Change in Control</u>.

Notwithstanding any provision to the contrary, upon the occurrence of a Change in Control, the Employee shall become immediately vested in 100% of the Restricted Stock Units in the Employee’s RSU Account if:

(a) within 12 months after a Change in Control occurs, the Employee’s service has been terminated by the Company (provided that such termination is for a reason other than for Cause); or

(b) the Company previously terminated the Employee’s service without Cause (i) during the year before the Change in Control was consummated but (ii) after a third party or the Company had taken steps reasonably calculated to effect a Change in Control. In addition to items (i)-(ii) above, the Employee also must reasonably demonstrate that such termination of service was in connection with or in anticipation of the Change in Control.

6. <u>Issuance of Stock</u>.

The Company, or its transfer agent, will convert the Restricted Stock Units in the Employee’s RSU Account into Shares and deliver the total number of Shares due to the Employee within 60 days after the date the Restricted Stock Units vest or as soon as administratively possible after such date, except as otherwise provided in Section 13 below. However, notwithstanding any provision to the contrary, if, in the reasonable determination of the Company, an Employee is a “specified employee” for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance promulgated thereunder (“Code

Section 409A"), then, if necessary to avoid the imposition on the Employee of excise tax and interest under Code Section 409A, the Company shall not deliver the Shares otherwise payable upon the Employee's termination and separation of service until the date that is 30 days after 6 months following the Employee's termination and separation of service from the Company. The delivery of the Shares shall be subject to payment of the applicable withholding tax liability as set forth in Section 8. If the Employee dies before the Company has distributed any portion of the vested Restricted Stock Units, the Company will transfer any Shares payable with respect to the vested Restricted Stock Units in accordance with the Employee's written beneficiary designation or to the Employee's estate if no written beneficiary designation is provided. If the Employee did not have a will, any Shares payable with respect to the vested Restricted Stock Units will be distributed in accordance with the laws of descent and distribution.

7. Election to Defer Receipt of Shares.

If the Employee is eligible to participate in the Huntington Bancshares Incorporated Executive Deferred Compensation Plan, or any successor thereto (the "Deferred Compensation Plan"), the Employee may defer the receipt of Shares relating to the RSUs beyond the date the Shares otherwise would be payable under this Agreement and under the rules and procedures established by the Company under the Deferred Compensation Plan. The Employee's election to defer receipt of such Shares shall be made on a form provided by the Company, which shall specify the amount of Shares to be deferred and the distribution date for such Shares. The Employee may elect to defer receipt of such Shares until the earlier of: (i) the date of the Employee's Separation from Service, (ii) the date of the Employee's retirement (as defined under the Deferred Compensation Plan), or (iii) the Employee's specified date of payment. Elections to defer will become irrevocable in accordance with the terms of the Deferred Compensation Plan and with Code Section 409A. Notwithstanding anything to the contrary in this Agreement, Shares will not be issued and the Employee shall have no voting rights of a stockholder in the Company to the extent that the Employee has elected to defer the issuance and receipt of such Shares; provided, however, that the Employee shall continue to receive dividend equivalent credits during the period of deferral credited to the RSU Account at such times as provided in this Agreement.

8. Withholding Taxes.

The Company shall have the power and the right to deduct or withhold, or require the Employee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement. Tax and any other necessary withholding obligations shall be satisfied in a manner consistent with Article 19 of the Plan.

9. Non-transferability of Grant.

During any Period(s) of Restriction, the Employee shall have no right to transfer, sell, pledge, assign, or hypothecate, other than by will or the laws of descent and distribution, any rights with respect to the Employee's Award of RSUs. No RSU shall be subject to execution, attachment, or similar process.

10. Employee's Rights Unsecured.

The right of the Employee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Employee nor his or her beneficiary shall have any rights in or against any amounts credited to the Employee's RSU Account or any other specific assets of the Company. All amounts credited to the Employee's RSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

11. No Voting Rights as Stockholder.

Until the Restricted Stock Units have vested and Shares have been issued, Employee shall not have any voting rights as a stockholder of the Company with respect to the Restricted Stock Units.

12. Dividends.

To the extent that cash dividends are paid on Shares after the Date of Grant and before the date the Employee receives the Shares subject to this Grant, the Employee's RSU Account will be credited with an additional number of Restricted Stock Units to reflect reinvested dividend equivalents with respect to the period of time between the Date of Grant and the delivery of Shares under this Agreement. Such dividend equivalent credits will be equal in value (based on the reported dividend rate on the date dividends were paid) to the amount of dividends paid on the Shares represented by the Restricted Stock Units in the Employee's RSU Account. The Employee's RSU account will be credited with whole and fractional RSUs equal to the dollar amount of the reinvested dividend equivalents based on the Fair Market Value on the dividend payment dates. The Employee shall vest in the additional Restricted Stock Units in accordance with Section 3 of the Agreement in the same manner that the Employee vests in the original grant of Restricted Stock Units held in the RSU Account. These additional Restricted Stock Units will be distributed in whole Shares in accordance with Section 6 of this Agreement, with the value of any remaining fractional Shares distributed in cash.

13. Capital Adjustment Provisions.

In the event of a stock split, stock dividend, spin off, merger, or other event described in Section 4.3 of the Plan, the number of Restricted Stock Units in the Employee's RSU Account shall be adjusted in accordance with the provisions of Section 4.3 of the Plan.

14. Securities Law Compliance.

The delivery of all or any of the Shares shall only be effective at such time that the issuance of such Shares will not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares. The Company may, in its sole discretion, delay the delivery of the Shares or place restrictive legends on such Shares in order to ensure that the issuance of any Shares will be in compliance with federal or state securities laws and the rules of the NASDAQ Global Select or any other exchange upon which the Company's common stock is traded. If the Company delays the delivery of the Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery will not cause such violation, or at such other date that may be permitted under Code Section 409A.

15. Plan Governs.

The Grant is subject to acceptance of all the terms, conditions and limitations of the Plan, including Article 20 with respect to forfeitures. The Plan may be amended from time to time, including but not limited to provisions on tax withholding and forfeiture. This Grant is subject to such rules and regulations that the Committee may adopt for administration of the Plan, and to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern. A copy of the Plan is available upon request by contacting the Human Resources Department at the Company's executive offices.

16. No Right to Continued Employment.

The Employee understands and agrees that this Agreement does not impact in any way the right of the Company to terminate or change the terms of the employment of Employee at any time for any reason whatsoever, with or without Cause, nor confer upon any right to continue in the employ of the Company.

17. Addresses for Notices.

Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company, in care of the Compensation Director, at Huntington Bancshares Incorporated, Huntington Center, HC0318, 41 S. High Street, Columbus, Ohio 43287, or at such other address as the Company may hereafter designate in writing. Any notice to be given to the Employee shall be addressed to the Employee at the address maintained on the books and records of the Company.

18. Captions.

Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Notice.

19. Notice Severable.

In the event that any provision in this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

20. Expenses.

Costs of administration of the terms and conditions of this Agreement will be paid by the Company.

21. Governing Law / Compliance with Applicable Law.

Except to the extent preempted by federal law, this Agreement shall be construed and enforced in accordance with the laws of the State of Ohio, without giving effect to the choice of law principles thereof.

22. Entire Notice; Amendment; Code Section 409A Provisions.

This Agreement and the Plan contain the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement shall be interpreted in accordance with Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A's rules. If the Employee is unexpectedly required to include in the Employee's current year's income any amount of compensation relating to the Restricted Stock Units because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Employee may receive a distribution of Shares or cash in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

RESTRICTIVE COVENANTS

After review of this agreement, the Employee will be required to accept the terms and conditions of the grant. If this agreement is not accepted within 45 days of the distribution of this document, then the grant will be subject to forfeiture.

Non-Solicitation Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that during his or her employment with Huntington and for a period of one year after such employment ceases, either voluntarily or involuntary for any reason, he or she will not, either directly or indirectly:

1. Solicit, encourage, or induce any person employed by the Company, or attempt to solicit, encourage or induce any person employed by the Company, to terminate his or her employment with the Company or to seek or accept employment with any other person or entity; or
2. Contact or attempt to contact any customer or prospective customer of the Company for whom the Employee performed any services or had any direct or indirect business contact for the purposes of identifying his or her new association or his or her change of employment or current affiliation; or
3. Contact any customer of the Company for whom the Employee performed any services or had any direct or indirect business contact for the purpose of soliciting, influencing, enticing, attempting to divert, or inducing any such customers to obtain any product or service offered by the Company from any person or entity other than the Company; or
4. Contact any customer or prospective customer of the Company whose identity or other customer specific information the Employee obtained or gained access to as an employee of Company for the purpose of soliciting, influencing, enticing, attempting to divert, or inducing any such customers or prospective customers to obtain any product or service provided by the Company from any person or entity other than the Company; or
5. Accept or provide assistance in the accepting of business from any customers or any prospective customers of the Company for whom the Employee performed any services or had any direct or indirect business contact, or whose identity or other customer specific information the Employee obtained or gained access to as an employee of the Company.

Notwithstanding the foregoing non-solicitation provisions of this Agreement, if the Employee separates employment within one year following a Change in Control that is not pursuant to a transaction approved by the Huntington Bancshares Incorporated Board of Directors, then the Employee's obligations will cease as of the date of his or her employment termination.

Confidentiality Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that during his or her employment with Huntington and after such employment ceases, either voluntarily or involuntary for any reason, he or she will not, either directly or indirectly use proprietary information to solicit, influence, entice, attempt to divert, or induce any customer or prospective customer of the Company to terminate or reduce any business relationship with the Company or to obtain any product or service provided by the Company from any person or entity other than the Company. Proprietary information includes customer or prospective customer information, including names, addresses, telephone numbers, email addresses or other identifying or contact information, account or transactional information, and other personal, business or financial information, and also includes information concerning the Company's business plans and methods, market strategies, products and services, technology and computer systems, business techniques and processes, policies, procedures and training materials.

Non-Competition Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that if the Employee's service terminates because of Normal Retirement, the Restricted Stock Units that continue to be vest under this Agreement will become vested only if: (1) the date of the Employee's termination after obtaining Normal Retirement is at least 6 months after the Date of Grant; and (2) for a period of one (1) year after the date of the Employee's termination after obtaining Normal Retirement, he or she will not accept employment with or perform any competing services (to include, recruiting, financial modeling, vendor relationship management, and/or providing services that draw upon his knowledge of Huntington proprietary information) for any bank or bank affiliated broker dealer that has any material operations in any of Huntington's six (6) footprint states (Ohio, Indiana, Kentucky, Michigan, Pennsylvania, and West Virginia). "Material operations" means that it has more than 5% market share in any of Huntington's footprint states. "Bank affiliated" means owned by a bank or a bank holding company. The Employee agrees and acknowledges that for purposes of this Paragraph, "employment" and/or "perform any competing services" shall mean that the Employee is engaged as an agent, employee, director, owner, partner or consultant by any bank or bank affiliated broker dealer. If, and to the extent that, the Employee violates the terms of this non-competition provision, the continued vesting of the Employee's Restricted Stock Units shall immediately cease, and the Employee shall forfeit any unvested Restricted Stock Units.

Notwithstanding the foregoing restrictive covenants of this Agreement, if Employee separates employment within one year following a Change in Control that is not pursuant to a transaction approved by the Huntington Bancshares Incorporated Board of Directors, then Employee's obligations will cease as of the date of his or her employment termination.

The Company will not have any further obligations to the Employee under this Agreement if the Employee's grant is forfeited as provided herein.

This Agreement along with the 2015 Long-Term Incentive Plan Prospectus will be available by accessing your Fidelity account.

I also acknowledge that I am required to hold 50% of the shares released to me net of applicable taxes until Early or Normal Retirement, or other departure from the Company.

I hereby accept the terms of this Agreement electronically through Fidelity.

Chairman, President, and Chief Executive Officer	Date

[Electronic Signature]

[Acceptance Date]

Exhibit 10.4

Huntington Bancshares Incorporated
Performance Share Unit Grant Agreement

2015 PERFORMANCE SHARE UNIT GRANT AGREEMENT

Employee Name:

Target Number of Performance Share Units Subject to Grant:

Date of Award:

Closing Price on Date of Grant:

THIS PERFORMANCE SHARE UNIT GRANT AGREEMENT (this “Agreement”) is made as of the date in the box above labeled “Date of Grant” by Huntington Bancshares Incorporated, a Maryland corporation and its subsidiaries (the “Company”), and is hereby communicated to the employee named in the box above (the “Employee”). Undefined capitalized terms used in this Agreement shall have the meanings set forth in the Company’s 2015 Long-Term Incentive Plan as may be amended from time to time (the “Plan”).

WHEREAS, the Company maintains the Plan.

WHEREAS, pursuant to Article 8 of the Plan, the Committee may grant awards of performance based Restricted Stock Units (“Performance Share Units” or “PSUs”) to employees, and have such grants settled in shares of the Company’s common stock (“Shares”).

WHEREAS, the Company desires to compensate the Employee with a grant of Performance Share Units for the Employee’s future services to the Company.

NOW, THEREFORE, in consideration of the premises, the Company grants the Employee an Award of Performance Share Units under the following terms and conditions:

1. Grant of Performance Share Units.

The Company, by authority of the Committee, hereby grants to the Employee a target Award of the number of Performance Share Units identified above (the “Grant”), which may be increased or decreased depending on attainment of the Qualifying Performance Criteria identified in this Agreement (the “Performance Goals”) to be issued in accordance with all of the terms and conditions set forth in this Agreement and the Plan. The Performance Share Units will be a bookkeeping entry (the “PSU Account”), and each Performance Share Unit shall be equivalent to one Share. All terms and conditions set forth in the Plan are deemed to be incorporated herein in their entirety.

2. Employee PSU Account.

The number of Performance Share Units granted pursuant to this Agreement shall be credited to the Employee's PSU Account. Each PSU Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Employee (or the Employee's beneficiaries if the Employee is deceased) in accordance with Section 1 above. No funds shall be set aside or earmarked for any PSU Account, which shall be purely a bookkeeping device.

3. Period of Restriction and Vesting Provisions.

(a) The Period of Restriction is the period beginning on January 1, 2015, and ending on December 31, 2017.

(b) Except as provided in this Agreement, the Employee's Performance Share Units will vest only upon the Employee's continued employment through the date that such Performance Share Units are paid after the expiration of the Period of Restriction, provided that the Committee certifies the Performance Goals for the Period of Restriction have been achieved as set forth in Appendix A, attached to this Agreement. Appendix A shall set forth the applicable Performance Goals and a "Threshold," "Target," and "Maximum" performance levels and payout percentages. If the Performance Goals are achieved at a level that is below Threshold, the number of Performance Share Units to be paid will be 0. If the Performance Goals are achieved at a level that is equal to Threshold, the amount of Performance Share Units to be paid will be 50% of the Performance Share Units under this Grant. If the Performance Goals are achieved at a level that is equal to Target, the amount of Performance Share Units to be paid will be 100% of the Performance Share Units under this Grant. If the Performance Goals are achieved at a level that is equal to Maximum, the Performance Share Units to be paid will be 150% of the Performance Share Units under this Grant. If the Performance Goals are achieved at a level that either is between Threshold and Target, or between Target and Maximum, the amount of Performance Share Units that will be paid will be equal to an amount that is linearly interpolated between the applicable payout percentages. Linear interpolation means that an increase in a goal above one specified level but below another level will result in a similar incremental increase in the payout percentage. For purposes of determining whether the Performance Goals have been achieved, calculations will be adjusted for Extraordinary Events as defined in Section 2.20 of the Plan.

(c) Notwithstanding any provision to the contrary, if, on or after the date that is six months after the Date of Grant, and before the date that Performance Share Units are paid, (1) the Employee's employment or service with the Company terminates due to Early Retirement, Disability, or death, or (2) the Company terminates the Employee without Cause (as defined in Article 2.5 of the Plan), the Employee shall vest in a prorated number of Shares (with any fractional Shares rounded up to the next whole number) equal to the number of Performance Share Units that otherwise would have vested at the end of the Period of Restriction based on the achievement Performance Goals times a fraction. The numerator of the fraction shall be the number, which in no event shall be greater than 36, of all full and partial months (with partial months being counted as full months) that passed beginning with January 1, 2015, and ending with the month in which the Employee's termination occurred. The denominator of the fraction shall be 36. For purposes of this Agreement and notwithstanding any provision of the Plan, including Section 2.38 of the Plan, to the contrary, "Early Retirement" means that the Employee has terminated service with the Company for any reason other than Cause on or after attainment of age 55 and completion of at least 10 years of service.

(d) Notwithstanding any provision in Section 3(b) or 3(c) above to the contrary, if, on or after the date that is six months after the Date of Grant, and before the date that Performance Share Units are paid, the Employee's employment or service with the Company terminates for any reason other than Cause after attainment of age 59 $^{1}/_{2}$ and 4 years of service ("Normal Retirement"), the Employee's service shall be deemed to have terminated on the date that Performance Share Units are paid so that the Employee is paid the number of Performance Share Units credited to the PSU Account based on performance as set forth in Section 3(b).

(e) Notwithstanding any provision in items 3(a) – (d) above, if on December 31st before the applicable vesting date described above, the Company's Common Equity Tier 1 Risk-Based Capital Ratio ("CET 1") is less than the greater of (i) the CET 1 goal set forth in the Company's Capital Management Policy or (ii) the required minimum CET 1 established by the Federal Reserve, the Employee's Performance Share Units that otherwise would have vested on such date shall instead vest on the date that the Committee certifies that the Company's CET1 is greater than or equal to the applicable goal described in (i) or (ii) above (which shall be no later than March 15th of the year after the year in which such CET 1 goal is achieved). However, if the Company's CET 1 remains less than the applicable goal described in (i) and (ii) above on the December 31st of each of the two consecutive years after the otherwise applicable vesting date described in Sections 3(a)-3(d) above (as applicable), the Employee shall forfeit such Performance Share Units.

4. <u>Forfeiture Provisions</u>.

(a) To the extent the Employee fails to satisfy the vesting conditions of Section 3 of this Agreement, the Employee's Performance Share Units shall be forfeited.

(b) Notwithstanding any provision of this Agreement to the contrary, the Committee may cause the Employee to forfeit all unvested Performance Share Units and require repayment of any amount previously paid under this Agreement in accordance with the terms of the Huntington Bancshares Incorporated Recoupment/Clawback Policy ("the Policy"), any other applicable policy of the Company, and any other applicable laws and regulations. The Policy is available on the Risk Management and Corporate Policy home page of the Huntington intranet.

(c) Notwithstanding anything herein to the contrary, in the event that the Employee's employment is terminated for Cause, the Employee shall forfeit any Performance Share Units that were not previously vested before the date of termination.

(d) This Performance Share Unit grant is subject to acceptance of all the terms, conditions and limitations of the Plan. The Plan may be amended from time to time, including but not limited to provisions on tax withholding and forfeiture. This Performance Share Unit grant is subject to such rules and regulations that the Committee may adopt for administration of the Plan, and to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

5. Change in Control.

Notwithstanding any provision to the contrary, upon the occurrence of a Change in Control, the Employee shall vest in a prorated number of Shares (with any fractional Shares rounded up to the next whole number) if:

(a) within 12 months after a Change in Control occurs, the Employee's service has been terminated by the Company (provided that such termination is for a reason other than for Cause); or

(b) the Company previously terminated the Employee's service without Cause (i) during the year before the Change in Control was consummated but (ii) after a third party or the Company had taken steps reasonably calculated to effect a Change in Control. In addition to items (i)-(ii) above, the Employee also must reasonably demonstrate that such termination of service was in connection with or in anticipation of the Change in Control.

The number of prorated Shares shall be equal to the number of Performance Share Units that otherwise would have vested at the end of the Period of Restriction based on the achievement Performance Goals determined as of the last day of the quarter before the consummation of the Change in Control times a fraction. The numerator of the fraction shall be the number, which in no event shall be greater than 36, of all full and partial months (with partial months being counted as full months) that passed beginning with January 1, 2015, and ending with the month in which the Employee's termination occurred. The denominator of the fraction shall be 36.

6. Issuance of Stock.

The Company, or its transfer agent, will convert the Performance Share Units in the Employee's PSU Account into Shares and deliver the total number of Shares due to the Employee within 60 days after the date the Performance Share Units vest or as soon as administratively possible after such date (but in no event later than December 31st of the year after the year in which the Period of Restriction expired), except as otherwise provided in

Section 14 below. However, notwithstanding any provision to the contrary, if, in the reasonable determination of the Company, an Employee is a “specified employee” for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance promulgated thereunder (“Code Section 409A”), then, if necessary to avoid the imposition on the Employee of excise tax and interest under Code Section 409A, the Company shall not deliver the Shares otherwise payable upon the Employee’s termination and separation of service until the date that is 30 days after 6 months following the Employee’s termination and separation of service from the Company. The delivery of the Shares shall be subject to payment of the applicable withholding tax liability as set forth in Section 8. If the Employee dies before the Company has distributed any portion of the vested Performance Share Units, the Company will transfer any Shares payable with respect to the vested Performance Share Units in accordance with the Employee’s written beneficiary designation or to the Employee’s estate if no written beneficiary designation is provided. If the Employee did not have a will, any Shares payable with respect to the vested Performance Share Units will be distributed in accordance with the laws of descent and distribution.

7. Election to Defer Receipt of Shares.

The Employee may defer the receipt of Shares relating to the PSUs beyond the vesting date under the rules and procedures established by the Company under the Huntington Bancshares Incorporated Executive Deferred Compensation Plan, or any successor thereto (the “Deferred Compensation Plan”). The Employee’s election to defer receipt of such Shares shall be made on a form provided by the Company, which shall specify the amount of Shares to be deferred and the distribution date for such Shares. The Employee may elect to defer receipt of such Shares until the earlier of: (i) the date of the Employee’s Separation from Service, (ii) the date of the Employee’s retirement (as defined under the Deferred Compensation Plan), or (iii) the Employee’s specified date of payment. Elections to defer will become irrevocable in accordance with the terms of the Deferred Compensation Plan and with Code Section 409A. Notwithstanding anything to the contrary in this Agreement, Shares will not be issued and the Employee shall have no voting rights of a stockholder in the Company to the extent that the Employee has elected to defer the issuance and receipt of such Shares; provided, however, that the Employee shall continue to receive dividend equivalent credits during the period of deferral credited to the PSU Account at such times as provided in this Agreement. Any deferral election made with respect to such Shares must be made no later than the date that is six months before the expiration of the Period of Restriction.

8. Withholding Taxes.

The Company shall have the power and the right to deduct or withhold, or require the Employee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement. Tax and any other necessary withholding obligations shall be satisfied in a manner consistent with Article 19 of the Plan.

9. Non-transferability of Grant.

During any Period(s) of Restriction, the Employee shall have no right to transfer, sell, pledge, assign, or hypothecate, other than by will or the laws of descent and distribution, any rights with respect to the Employee's Award of PSUs. No PSU shall be subject to execution, attachment, or similar process.

10. Employee's Rights Unsecured.

The right of the Employee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Employee nor his or her beneficiary shall have any rights in or against any amounts credited to the Employee's PSU Account or any other specific assets of the Company. All amounts credited to the Employee's PSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

11. No Voting Rights as Stockholder.

Until the Performance Share Units have vested and Shares have been issued, Employee shall not have any voting rights as a stockholder of the Company with respect to the Performance Share Units.

12. Dividends.

To the extent that cash dividends are paid on Shares after the Date of Grant and before the date the Employee receives the Shares subject to this Grant, the Employee's PSU Account will be credited with an additional number of Performance Share Units to reflect reinvested dividend equivalents with respect to the period of time between the Date of Grant and the delivery of Shares under this Agreement. Such dividend equivalent credits will be equal in value (based on the reported dividend rate on the date dividends were paid) to the amount of dividends paid on the Shares represented by the Performance Share Units in the Employee's PSU Account. The Employee's PSU account will be credited with whole and fractional PSUs equal to the dollar amount of the reinvested dividend equivalents based on the Fair Market Value on the dividend payment dates. The Employee shall vest in the additional Performance Share Units in accordance with Section 3 of the Agreement in the same manner that the Employee vests in the original grant of Performance Share Units held in the PSU Account. These additional Performance Share Units will be distributed in whole Shares in accordance with Section 6 of this Agreement, with the value of any remaining fractional Shares distributed in cash.

13. Capital Adjustment Provisions.

In the event of a stock split, stock dividend, spin off, merger, or other event described in Section 4.3 of the Plan, the number of Performance Share Units in the Employee's PSU Account shall be adjusted in accordance with the provisions of Section 4.3 of the Plan.

14. Securities Law Compliance.

The delivery of all or any of the Shares shall only be effective at such time that the issuance of such Shares will not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares. The Company may, in its sole discretion, delay the delivery of the Shares or place restrictive legends on such Shares in order to ensure that the issuance of any Shares will be in compliance with federal or state securities laws and the rules of the NASDAQ Global Select or any other exchange upon which the Company's common stock is traded. If the Company delays the delivery of the Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery will not cause such violation, or at such other date that may be permitted under Code Section 409A.

15. Plan Governs.

The Grant is subject to acceptance of all the terms, conditions and limitations of the Plan, including Article 20 with respect to forfeitures. The Plan may be amended from time to time, including but not limited to provisions on tax withholding and forfeiture. This Grant is subject to such rules and regulations that the Committee may adopt for administration of the Plan, and to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern. A copy of the Plan is available upon request by contacting the Human Resources Department at the Company's executive offices.

16. No Right to Continued Employment.

The Employee understands and agrees that this Agreement does not impact in any way the right of the Company to terminate or change the terms of the employment of Employee at any time for any reason whatsoever, with or without Cause, nor confer upon any right to continue in the employ of the Company.

17. Addresses for Notices.

Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company, in care of the Compensation Director, at Huntington Bancshares Incorporated, Huntington Center, HC0318, 41 S. High Street, Columbus, Ohio 43287, or at such other address as the Company may hereafter designate in writing. Any notice to be given to the Employee shall be addressed to the Employee at the address maintained on the books and records of the Company.

18. Captions.

Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Notice.

19. Notice Severable.

In the event that any provision in this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

20. Expenses.

Costs of administration of the terms and conditions of this Agreement will be paid by the Company.

21. Governing Law / Compliance with Applicable Law.

Except to the extent preempted by federal law, this Agreement shall be construed and enforced in accordance with the laws of the State of Ohio, without giving effect to the choice of law principles thereof.

22. Entire Notice; Amendment; Code Section 409A Provisions.

This Agreement and the Plan contain the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement shall be interpreted in accordance with Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A’s rules. If the Employee is unexpectedly required to include in the Employee’s current year’s income any amount of compensation relating to the Performance Share Units because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Employee may receive a distribution of Shares or cash in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

RESTRICTIVE COVENANTS

After review of this agreement, the Employee will be required to accept the terms and conditions of the grant. If this agreement is not accepted within 45 days of the distribution of this document, then the grant will be subject to forfeiture.

Non-Solicitation Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that during his or her employment with Huntington and for a period of one year after such employment ceases, either voluntarily or involuntary for any reason, he or she will not, either directly or indirectly:

1. Solicit, encourage, or induce any person employed by the Company, or attempt to solicit, encourage or induce any person employed by the Company, to terminate his or her employment with the Company or to seek or accept employment with any other person or entity; or
2. Contact or attempt to contact any customer or prospective customer of the Company for whom the Employee performed any services or had any direct or indirect business contact for the purposes of identifying his or her new association or his or her change of employment or current affiliation; or
3. Contact any customer of the Company for whom the Employee performed any services or had any direct or indirect business contact for the purpose of soliciting, influencing, enticing, attempting to divert, or inducing any such customers to obtain any product or service offered by the Company from any person or entity other than the Company; or
4. Contact any customer or prospective customer of the Company whose identity or other customer specific information the Employee obtained or gained access to as an employee of Company for the purpose of soliciting, influencing, enticing, attempting to divert, or inducing any such customers or prospective customers to obtain any product or service provided by the Company from any person or entity other than the Company; or
5. Accept or provide assistance in the accepting of business from any customers or any prospective customers of the Company for whom the Employee performed any services or had any direct or indirect business contact, or whose identity or other customer specific information the Employee obtained or gained access to as an employee of the Company.

Notwithstanding the foregoing non-solicitation provisions of this Agreement, if the Employee separates employment within one year following a Change in Control that is not pursuant to a transaction approved by the Huntington Bancshares Incorporated Board of Directors, then the Employee's obligations will cease as of the date of his or her employment termination.

Confidentiality Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that during his or her employment with Huntington and after such employment ceases, either voluntarily or involuntary for any reason, he or she will not, either directly or indirectly use proprietary information to solicit, influence, entice, attempt to divert, or induce any customer or prospective customer of the Company to terminate or reduce any business relationship with the Company or to obtain any product or service provided by the Company from any person or entity other than the Company. Proprietary information includes customer or prospective customer information, including names, addresses, telephone numbers, email addresses or other identifying or contact information, account or transactional information, and other personal, business or financial information, and also includes information concerning the Company's business plans and methods, market strategies, products and services, technology and computer systems, business techniques and processes, policies, procedures and training materials.

Non-Competition Provision

By accepting this Agreement and the grant listed herein, the Employee agrees that if the Employee's service terminates because of Normal Retirement, the Performance Share Units that continue to be vest under this Agreement will become vested only if: (1) the date of the Employee's termination after obtaining Normal Retirement is at least 6 months after the Date of Grant; and (2) for a period of one (1) year after the date of the Employee's termination after obtaining Normal Retirement, he or she will not accept employment with or perform any competing services (to include, recruiting, financial modeling, vendor relationship management, and/or providing services that draw upon his knowledge of Huntington proprietary information) for any bank or bank affiliated broker dealer that has any material operations in any of Huntington's six (6) footprint states (Ohio, Indiana, Kentucky, Michigan, Pennsylvania, and West Virginia). "Material operations" means that it has more than 5% market share in any of Huntington's footprint states. "Bank affiliated" means owned by a bank or a bank holding company. The Employee agrees and acknowledges that for purposes of this Paragraph, "employment" and/or "perform any competing services" shall mean that the Employee is engaged as an agent, employee, director, owner, partner or consultant by any bank or bank affiliated broker dealer. If, and to the extent that, the Employee violates the terms of this non-competition provision, the continued vesting of the Employee's Performance Share Units shall immediately cease, and the Employee shall forfeit any unvested Performance Share Units.

Notwithstanding the foregoing restrictive covenants of this Agreement, if Employee separates employment within one year following a Change in Control that is not pursuant to a transaction approved by the Huntington Bancshares Incorporated Board of Directors, then Employee's obligations will cease as of the date of his or her employment termination.

The Company will not have any further obligations to the Employee under this Agreement if the Employee's grant is forfeited as provided herein.

This Agreement along with the 2015 Long-Term Incentive Plan Prospectus will be available by accessing your Fidelity account.

I also acknowledge that I am required to hold 50% of the shares released to me net of applicable taxes until Early or Normal Retirement, or other departure from the Company.

I hereby accept the terms of this Agreement electronically through Fidelity.

Chairman, President, and Chief Executive Officer	Date

[Electronic Signature]

[Acceptance Date]

Exhibit 31.1

CERTIFICATION

I, Stephen D. Steinour, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Huntington Bancshares Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2015

/s/ Stephen D. Steinour
Stephen D. Steinour
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Howell D. McCullough III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Huntington Bancshares Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2015

/s/ Howell D. McCullough III
Howell D. McCullough III
Chief Financial Officer

Exhibit 32.1

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of Huntington Bancshares Incorporated (the “Company”) on Form 10-Q for the three month period ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen D. Steinour, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen D. Steinour

Stephen D. Steinour
Chief Executive Officer
August 4, 2015

Exhibit 32.2

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of Huntington Bancshares Incorporated (the “Company”) on Form 10-Q for the three month period ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Howell D. McCullough III, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Howell D. McCullough III

Howell D. McCullough III
Chief Financial Officer
August 4, 2015