CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Huntington National Bank

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant

OR

2. [ ] a legal entity currently holding, or anticipated to hold within six months after City action on the contract, transaction or other undertaking to which this EDS pertains (referred to below as the "Matter"), a direct or indirect interest in excess of 7.5% in the Applicant. State the Applicant's legal name: ______

OR

3. [ ] a legal entity with a direct or indirect right of control of the Applicant (see Section II(B)(1)) State the legal name of the entity in which the Disclosing Party holds a right of control:

______

B. Business address of the Disclosing Party: 222 N. LaSalle #1200
Chicago, IL 60601

C. Telephone: 312-429-3604 Fax: N/A Email: kyle.sneed@huntington.com

D. Name of contact person: Kyle Sneed

E. Federal Employer Identification No. (if you have one): 31-0966785

F. Brief description of the Matter to which this EDS pertains. (Include project number and location of property, if applicable):

Designation as a 2023 Municipal Depository for City of Chicago and Chicago Board of Education Funds

G. Which City agency or department is requesting this EDS? Department of Finance

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # ______ and Contract # ______

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[X] Other (please specify)
Federally chartered financial institution

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

United States of America, Office of the Comptroller of the Currency

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] Organized in Illinois

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles, if applicable, of: (i) all executive officers and all directors of the entity; (ii) **for not-for-profit corporations**, all members, if any, which are legal entities (if there are no such members, write "no members which are legal entities"); (iii) **for trusts, estates or other similar entities**, the trustee, executor, administrator, or similarly situated party; (iv) **for general or limited partnerships, limited liability companies, limited liability partnerships or joint ventures**, each general partner, managing member, manager or any other person or legal entity that directly or indirectly controls the day-to-day management of the Applicant.

NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title
A full list of executive officers and all directors of the entity is provided as Exhibit I of the submission documents.

2. Please provide the following information concerning each person or legal entity having a direct or indirect, current or prospective (i.e. within 6 months after City action) beneficial interest (including ownership) in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a

limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None."

NOTE: Each legal entity listed below may be required to submit an EDS on its own behalf.

Name	Business Address	Percentage Interest in the Applicant
Huntington Bancshares Inc.,	41 S. High Street, Columbus, OH 43287	100%
The Vanguard Group, Inc.,	100 Vanguard Blvd, Malvern, PA 19355	11.09%*
BlackRock, Inc.,	55 East 52nd Street, New York, NY 10055	8.9%*

*Ownership in Huntington Bancshares Inc. (HBI), which is publicly traded and not required to file an EDS pursuant to Rule 1(i). In lieu of the EDS, the recent 10Q and annual report was submitted for HBI.

SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS

Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS? [ ] Yes [X] No

Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS? [ ] Yes [X] No

If "yes" to either of the above, please identify below the name(s) of such City elected official(s) and describe such income or compensation:

____

____

Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in Chapter 2-156 of the Municipal Code of Chicago ("MCC")) in the Disclosing Party?
[ ] Yes [X] No

If "yes," please identify below the name(s) of such City elected official(s) and/or spouse(s)/domestic partner(s) and describe the financial interest(s).

____

____

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in MCC Chapter 2-156), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll. If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under MCC Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. [This paragraph 1 applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any Affiliated Entity [see definition in (5) below] has engaged, in connection with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e., an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;

d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC Chapters 2-56 (Inspector General) and 2-156 (Governmental Ethics).

5. Certifications (5), (6) and (7) concern:

- the Disclosing Party;
- any “Contractor” (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, “Disclosure of Subcontractors and Other Retained Parties”);
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity). Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity. With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor, nor any Agents have, during the 5 years before the date of this EDS, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the 5 years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions referenced in MCC Subsection 2-92-320(a)(4)(Contracts Requiring a Base Wage); (a)(5)(Debarment Regulations); or (a)(6)(Minimum Wage Ordinance).

6. Neither the Disclosing Party, nor any Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

7. Neither the Disclosing Party nor any Affiliated Entity is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.

8. [FOR APPLICANT ONLY] (i) Neither the Applicant nor any "controlling person" [see MCC Chapter 1-23, Article I for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency"; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If MCC Chapter 1-23, Article I applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.

9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the federal System for Award Management ("SAM").

10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such

contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

11. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

The foregoing responses are to the best knowledge of disclosing party's knowledge after reasonable inquiry.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

13. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $25 per recipient, or (iii) a political contribution otherwise duly reported as required by law (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[X] is [ ] is not

a "financial institution" as defined in MCC Section 2-32-455(b).

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in MCC Chapter 2-32. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in MCC Chapter 2-32. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in MCC Section 2-32-455(b)) is a predatory lender within the meaning of MCC Chapter 2-32, explain here (attach additional pages if necessary):

None

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS

Any words or terms defined in MCC Chapter 2-156 have the same meanings if used in this Part D.

1. In accordance with MCC Section 2-156-110: To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D(1), proceed to Items D(2) and D(3). If you checked "No" to Item D(1), skip Items D(2) and D(3) and proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D(1), provide the names and business addresses of the City officials or employees having such financial interest and identify the nature of the financial interest:

Name	Business Address	Nature of Financial Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either (1) or (2) below. If the Disclosing Party checks (2), the Disclosing Party must disclose below or in an attachment to this EDS all information required by (2). Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step (1) above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

____

____

____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: **If the Matter is federally funded**, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995, as amended, who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

____

____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995, as amended, have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in paragraph A(1) above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee

of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A(1) and A(2) above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities," as that term is defined in the Lobbying Disclosure Act of 1995, as amended.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A(1) through A(4) above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?
[X] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[x] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[x] Yes [ ] No [ ] Reports not required

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[x] Yes [ ] No

If you checked "No" to question (1) or (2) above, please provide an explanation:

SECTION VII -- FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics Ordinance, MCC Chapter 2-156, imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City’s Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to MCC Chapter 1-23, Article I (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by MCC Chapter 1-23 and Section 2-154-020.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable Appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable Appendices, are true, accurate and complete as of the date furnished to the City.

The Huntington National Bank

(Print or type exact legal name of Disclosing Party)

By: Kyle Sneed

(Sign here)

Kyle Sneed

(Print or type name of person signing)

Vice President

(Print or type title of person signing)

Signed and sworn to before me on (date) 10/23/2023,

at Cook County, Illinois (state).

Notary Public

Commission expires: 7/16/24

OFFICIAL SEAL
D J LINGENFELTER
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 07-16-2024

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under MCC Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

____
____
____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX B

BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

1. Pursuant to MCC Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [x] No

2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [ ] No [X] The Applicant is not publicly traded on any exchange.

3. If yes to (1) or (2) above, please identify below the name of each person or legal entity identified as a building code scofflaw or problem landlord and the address of each building or buildings to which the pertinent code violations apply.

____
____
____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX C

PROHIBITION ON WAGE & SALARY HISTORY SCREENING - CERTIFICATION

This Appendix is to be completed only by an Applicant that is completing this EDS as a "contractor" as defined in MCC Section 2-92-385. That section, which should be consulted (www.amlegal.com), generally covers a party to any agreement pursuant to which they: (i) receive City of Chicago funds in consideration for services, work or goods provided (including for legal or other professional services), or (ii) pay the City money for a license, grant or concession allowing them to conduct a business on City premises.

On behalf of an Applicant that is a contractor pursuant to MCC Section 2-92-385, I hereby certify that the Applicant is in compliance with MCC Section 2-92-385(b)(1) and (2), which prohibit: (i) screening job applicants based on their wage or salary history, or (ii) seeking job applicants' wage or salary history from current or former employers. I also certify that the Applicant has adopted a policy that includes those prohibitions.

[X] Yes

[ ] No

[ ] N/A – I am not an Applicant that is a "contractor" as defined in MCC Section 2-92-385.

This certification shall serve as the affidavit required by MCC Section 2-92-385(c)(1).

If you checked "no" to the above, please explain.

____

____

____

EXHIBIT I
THE HUNTINGTON NATIONAL BANK
DIRECTORS AND EXECUTIVE OFFICERS
OCTOBER 18, 2023

Directors

1. Alanna Y. Cotton
2. Ann B. (Tanny) Crane
3. Rafael Andres Diaz-Granados
4. Gina D. France
5. J. Michael Hochschwender
6. John C. (Chris) Inglis
7. Richard H. King
8. Katherine M. A. (Allie) Kline
9. Richard W. Neu
10. Kenneth J. Phelan
11. David L. Porteous
12. Roger J. Sit
13. Stephen D. Steinour
14. Jeffrey L. Tate
15. Gary Torgow

Executive Officers

Paul G. Heller	Senior Executive Vice President and Chief Technology and Operations Officer, Huntington Bancshares Incorporated and The Huntington National Bank
Marcy C. Hingst	Senior Executive Vice President and General Counsel, Huntington Bancshares Incorporated; Senior Executive Vice President, General Counsel, and Cashier, The Huntington National Bank
Helga S. Houston	Senior Executive Vice President and Chief Risk Officer, Huntington Bancshares Incorporated and The Huntington National Bank
Scott Kleinman	Senior Executive Vice President and President, Commercial Bank, Huntington Bancshares Incorporated and The Huntington National Bank
Sandra E. Pierce	Senior Executive Vice President, Private Client Group and Regional Banking Director and Chair of Michigan, Huntington Bancshares Incorporated and The Huntington National Bank

Richard Pohle	Executive Vice President and Chief Credit Officer, Huntington Bancshares Incorporated and The Huntington National Bank
Brantley J. Standridge	Senior Executive Vice President and President, Consumer and Business Banking, Huntington Bancshares Incorporated and The Huntington National Bank
Stephen D. Steinour	Chairman, President, and Chief Executive Officer, Huntington Bancshares Incorporated; President and Chief Executive Officer, The Huntington National Bank
Rajeev Syal	Senior Executive Vice President and Chief Human Resources Officer, Huntington Bancshares Incorporated and The Huntington National Bank
Julie C. Tutkovics	Senior Executive Vice President and Chief Marketing and Communications Officer, Huntington Bancshares Incorporated and The Huntington National Bank
Zachary J. Wasserman	Senior Executive Vice President and Chief Financial Officer, Huntington Bancshares Incorporated and The Huntington National Bank
Donnell R. White	Senior Vice President and Chief Diversity, Equity and Inclusion Officer, Huntington Bancshares Incorporated and The Huntington National Bank

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**

For the quarterly period ended September 30, 2023

OR

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

For the transition period from to

Huntington Bancshares Incorporated
(Exact name of registrant as specified in its charter)

Maryland	1-34073	31-0724920
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

Registrant's address: 41 South High Street, Columbus, Ohio 43287

Registrant's telephone number, including area code: (614) 480-2265

Securities registered pursuant to Section 12(b) of the Act

Title of class	Trading Symbol(s)	Name of exchange on which registered
Depositary Shares (each representing a 1/40th interest in a share of 4.500% Series H Non-Cumulative, perpetual preferred stock)	**HBANP**	**NASDAQ**
Depositary Shares (each representing a 1/1000th interest in a share of 5.70% Series I Non-Cumulative, perpetual preferred stock)	**HBANM**	**NASDAQ**
Depositary Shares (each representing a 1/40th interest in a share of 6.875% Series J Non-Cumulative, perpetual preferred stock)	**HBANL**	**NASDAQ**
Common Stock—Par Value $0.01 per Share	**HBAN**	**NASDAQ**

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 every Interactive Data File required to be submitted 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 such files). ☒ Yes ☐ No

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

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

There were 1,448,075,093 shares of the registrant's common stock ($0.01 par value) outstanding on September 30, 2023.

HUNTINGTON BANCSHARES INCORPORATED
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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:

ACL	Allowance for Credit Losses
AFS	Available-for-Sale
ALLL	Allowance for Loan and Lease Losses
AOCI	Accumulated Other Comprehensive Income (Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	Automated Teller Machine
AULC	Allowance for Unfunded Lending Commitments
Basel III	Refers to the final rule issued by the FRB and OCC and published in the Federal Register on October 11, 2013
Capstone Partners	Capstone Enterprises LLC
C&I	Commercial and Industrial
CDs	Certificates of Deposit
CECL	Current Expected Credit Losses
CET1	Common Equity Tier 1 on a Basel III basis
CFPB	Bureau of Consumer Financial Protection
CFO	Chief Financial Officer
CMO	Collateralized Mortgage Obligations
COVID-19	Coronavirus Disease 2019
CRE	Commercial Real Estate
CRO	Chief Risk Officer
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
EOP	End of Period
EVE	Economic Value of Equity
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FHLB	Federal Home Loan Bank
FICO	Fair Isaac Corporation
FRB	Federal Reserve Bank or the Federal Reserve Board
FTE	Fully-Taxable Equivalent
FTP	Funds Transfer Pricing
FVO	Fair Value Option
GAAP	Generally Accepted Accounting Principles in the United States of America
GDP	Gross Domestic Product
HTM	Held-to-Maturity
IRS	Internal Revenue Service
LIBOR	London Interbank Offered Rate
LIHTC	Low Income Housing Tax Credit
MBS	Mortgage-Backed Securities
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations
MSR	Mortgage Servicing Right
NAICS	North American Industry Classification System
NALs	Nonaccrual Loans
NCO	Net Charge-off
NII	Net Interest Income
NIM	Net Interest Margin

NM	Not Meaningful
NPAs	Nonperforming Assets
OCC	Office of the Comptroller of the Currency
OCI	Other Comprehensive Income (Loss)
OLEM	Other Loans Especially Mentioned
PPP	Paycheck Protection Program
RBHPCG	Regional Banking and The Huntington Private Client Group
REIT	Real estate investment trust
ROC	Risk Oversight Committee
RPS	Retirement Plan Services
RV	Recreational vehicle
SBA	Small Business Administration
SCB	Stress Capital Buffer
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
TBA	To Be Announced
TDR	Troubled Debt Restructuring
Torana	Digital Payments Torana, Inc.
U.S. Treasury	U.S. Department of the Treasury
VIE	Variable Interest Entity
XBRL	eXtensible Business Reporting Language

PART I. FINANCIAL INFORMATION

When we refer to “we,” “our,” “us,” “Huntington,” and “the Company” 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 are committed to making people’s lives better, helping businesses thrive, and strengthening the communities we serve and have over 150 years of servicing the financial needs of our customers. Through our subsidiaries, we provide full-service commercial and consumer deposit, lending, and other banking services. This includes, but is not limited to, payments, mortgage banking, automobile, recreational vehicle and marine financing, investment banking, capital markets, advisory, equipment financing, distribution finance, investment management, trust, brokerage, insurance, and other financial products and services. At September 30, 2023, our 1,001 full-service branches and private client group offices are primarily located in Ohio, Colorado, Illinois, Indiana, Kentucky, Michigan, Minnesota, Pennsylvania, West Virginia, and Wisconsin. Select financial services and other activities are also conducted in various other states.

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 2022 Annual Report on Form 10-K should be read in conjunction with this MD&A as this discussion provides only material updates to the 2022 Annual Report on Form 10-K. This MD&A should also be read in conjunction with the Unaudited Consolidated Financial Statements, Notes to Unaudited Consolidated Financial Statements, and other information contained in this report.

EXECUTIVE OVERVIEW

Acquisitions and Divestitures

In May 2022, Huntington completed the acquisition of Torana, now known as Huntington Choice Pay, a digital payments business focused on business to consumer payments. This acquisition, along with the formation of our enterprise-wide payments group, reflects one of our strategic priorities to accelerate our payments capabilities and expand the services provided to our customers.

In June 2022, Huntington completed the acquisition of Capstone Partners, a top tier middle market investment bank and advisory firm. The transaction brings a national scale to serve middle market business owners throughout the corporate lifecycle, building on Huntington’s regional banking foundation. Capstone Partners related revenue, including mergers and acquisitions, capital raising and other advisory-related fees, is recognized within capital markets fees in the Consolidated Statements of Income.

In March 2023, we closed the sale of our RPS business and entered into an ongoing partnership with the purchaser. The sale of our RPS business resulted in a $57 million gain including associated goodwill allocation, recorded within other noninterest income.

Summary of 2023 Third Quarter Results Compared to 2022 Third Quarter

For the quarter, we reported net income of $547 million, or $0.35 per diluted common share, compared with $594 million, or $0.39 per diluted common share, in the year-ago quarter.

Net interest income was $1.4 billion, a decrease of $36 million, or 3%, from the year-ago quarter. FTE net interest income, a non-GAAP financial measure, decreased $33 million, or 2%, from the year-ago quarter. The decrease in FTE net interest income primarily reflects a 22 basis point decrease in the FTE NIM to 3.20% and a $15.2 billion, or 13%, increase in average interest-bearing liabilities, partially offset by a $6.9 billion, or 4%, increase in average earning assets.

The provision for credit losses decreased $7 million from the year-ago quarter to $99 million in the 2023 third quarter. The ACL increased $138 million from the year-ago quarter to $2.4 billion in the 2023 third quarter, or 1.96% of total loans and leases, compared to $2.2 billion, or 1.89% of total loans and leases. The increase in the total ACL was driven by a combination of loan and lease growth and increasing coverage levels that recognize the near-term recessionary risks.

Noninterest income was $509 million, an increase of $11 million, or 2%, and noninterest expense increased $37 million, or 4%, from the year-ago quarter. The increase in noninterest income was primarily due to a $33 million increase from favorable mark-to-market on pay-fixed swaptions, included within other noninterest income, and additional increases in card and payments processing, bank owned life insurance, and service charges on deposit accounts, partially offset by decreases in capital markets fees and gain on sale of loans. The increase in noninterest expense was primarily due to increases in personnel costs, deposit and other insurance expense, professional services, equipment expense and outside data processing and other services.

Total assets at September 30, 2023 were $186.7 billion, an increase of $3.7 billion, or 2%, compared to December 31, 2022. The increase in total assets was primarily driven by increases in interest-bearing deposits at the Federal Reserve Bank of $4.9 billion, or 100%, and loans and leases of $1.3 billion, or 1%, partially offset by a decrease in total investment securities of $2.4 billion, or 6%. Total liabilities at September 30, 2023 were $168.1 billion, an increase of $3.0 billion, or 2%, compared to December 31, 2022. The increase in total liabilities was primarily driven by increases in long-term debt of $3.1 billion, or 32%, and total deposits of $1.0 billion, or 1%, partially offset by a decrease in short-term borrowings of $1.3 billion, or 66%.

The tangible common equity to tangible assets ratio was 5.70% at September 30, 2023, up 15 basis points from December 31, 2022, driven by current period earnings, partially offset by dividends and AOCI impacts driven by higher interest rates. CET1 risk-based capital ratio was 10.10%, up from 9.36% from December 31, 2022. The increase in regulatory capital ratios was primarily driven by current period earnings and a decline in risk-weighted assets, partially offset by dividends and the CECL transitional amount.

General

Our general business objectives are to:

- Build on our vision to be the country’s leading people-first, digitally powered bank
- Drive sustainable long-term revenue growth and efficiency
- Deliver a Category of One customer experience through our distinguished brand and culture
- Extend our digital leadership with focus on ease of use, access to information, and self-service across products and services
- Leverage expertise and capabilities to acquire and deepen relationships and launching of select partnerships
- Maintain positive operating leverage and execute disciplined capital management
- Stability and resilience through risk management, maintaining an aggregate moderate-to-low, through-the-cycle risk appetite

Economy

During the recent quarter, inflation continued to trend lower while remaining at elevated levels above the Federal Reserve’s target. The Federal Reserve raised interest rates one time in July and paused in September to further evaluate the impact of their tightening and the overall health of the economy. The economy has continued to expand with second quarter 2023 GDP growth of 2.4%. Market volatility has picked up as the yield curve has steepened. Loan growth and deposits have stabilized across the banking sector and further banking regulation has been proposed with the release of amendments to the regulatory capital rule and long-term debt requirements for banks.

The consensus economic outlook assumes a slowdown over the next three quarters with a return to modest growth in the second half of 2024. Inflation is expected to continue to fall, approaching target levels of 2% by the third quarter of 2024, as the Federal Reserve actions will likely result in lower GDP growth and higher unemployment.

Our quarterly results reflect continued execution of our growth strategy and leveraging the strength of our balance sheet, delivered through sustained core deposit growth and expansion of common equity tier 1 driven to above 10% by earnings and capital optimization. We have continued our disciplined management of credit consistent with our aggregate moderate-to-low, through-the-cycle risk appetite. With our disciplined and proactive approach, including balance sheet and other efficiency efforts to increase capital, we believe Huntington is well positioned to manage through the dynamic environment. We remain focused on delivering profitable growth and driving value for our shareholders.

Other Recent Developments

Following the failure of several financial institutions in the first half of 2023 and resulting losses to the FDIC's Deposit Insurance Fund, the FDIC issued a notice of proposed rulemaking in May 2023 that would implement a special assessment to recover the cost associated with protecting uninsured depositors as part of those financial institution failures. Under the proposed rule, the assessment base for the special assessment would be equal to an insured depository institution's estimated uninsured deposits reported as of December 31, 2022, adjusted to exclude the first $5 billion of uninsured deposits. The $5 billion exclusion would be applied once to the aggregate amount of uninsured deposits. The special assessment would be applied at an annual rate of approximately 12.5 basis points and assessed over eight quarters, subject to change depending on any adjustments to the loss estimate, mergers or failures, or amendments to reported estimates of uninsured deposits. As proposed and based on The Huntington National Bank reported uninsured deposits as of December 31, 2022, the estimated impact of the special assessment is approximately $199 million. Any change to the terms of the final rule impacting the determination of uninsured deposits, exclusionary criteria, annual rate, or term of annual rate application would have a direct impact on the estimate of Huntington's special assessment. We continue to monitor the status of the proposed rule and the impact to our future operating results. We expect to record the impact when the final rule is enacted.

On July 27, 2023, the Federal Banking Agencies, the FDIC, the Federal Reserve, and the OCC, released a notice of proposed rulemaking that would make significant amendments to the Basel III Capital Rules applicable to both the Company and the Bank. In general, the proposed rule would align the regulatory capital calculation methodology for Category III and IV banking organizations with the methodology applicable to Category I and II banking organizations. In addition to calculating risk-weighted assets under the current U.S. standardized approach, the proposal introduces a new "Expanded Risk-Based Approach," including standardized approaches for credit risk, operational risk and credit valuation adjustment risk, as well as a new approach for market risk that would be based upon internal models and standardized supervisory models. If adopted as proposed, Huntington would be required to calculate its risk-based capital ratios under both the current U.S. standardized approach and the Expanded Risk-Based Approach and would be subject to the lower of the two resulting ratios for each risk-based capital ratio. In addition, the proposal would require banking organizations to recognize most elements of AOCI in regulatory capital, including unrealized gains and losses on available-for-sale securities, and lower thresholds for deductions from CET1 capital for mortgage servicing assets and deferred tax assets, among other things. The proposal, if enacted, would have an effective date of July 1, 2025, with certain elements, such as the recognition of AOCI in regulatory capital and changes in risk-weighted assets calculated under the Expanded Risk-Based Approach, having a three-year phase-in period. We are in the process of evaluating this proposed rulemaking and assessing its potential impact on the Company and the Bank if adopted as proposed.

On August 29, 2023, the Federal Banking Agencies released a notice of proposed rulemaking that would require certain large banking organizations such as Huntington to issue and maintain minimum amounts of eligible long-term debt and comply with clean holding company requirements similar to requirements currently applicable to U.S. global systemically important banking organizations. Under the proposal, the Company and the Bank would each be required to maintain a minimum amount of eligible long-term debt equal to the greater of 6% of total risk-weighted assets, 3.5% of average total consolidated assets, and 2.5% of total leverage exposure (if subject to the supplementary leverage ratio). To comply with the requirement, the Bank would be required to issue incremental eligible long-term debt to the Company, and the Company would be required to issue incremental eligible long-term debt externally. The proposed rule would also allow banking organizations to include, as part of the required minimum amounts, certain existing long-term debt. Once the rule is finalized, covered institutions would have three years to comply with the new requirements following a phased-in approach, with 25% of the long-term debt requirement by one year after finalization of the rule, 50% after two years, and 100% after three years. In addition, the clean holding company requirements would limit or prohibit the Company from entering into certain transactions that could impede its orderly resolution, including, for example, prohibiting the Company from issuing short-term debt to, or entering into qualified financial contracts with, non-affiliates and entering into contracts that could spread losses to subsidiaries, as well as limiting the amount of the Company's liabilities that are not eligible long-term debt. We are in the process of evaluating this proposed rulemaking and assessing its potential impact on the Company and the Bank if adopted as proposed.

On October 25, 2023, the Federal Reserve released a notice of proposed rulemaking that would lower the maximum interchange fee that a large debit card issuer can receive on a debit card transaction. Under the proposal, the base component would initially decrease from 21.0 cents to 14.4 cents, the *ad valorem* component would decrease from 5.0 basis points to 4.0 basis points multiplied by the value of the transaction, and the fraud-prevention adjustment would increase from 1.0 cents to 1.3 cents for debit card transactions performed from the effective date of the final rule to June 30, 2025. In addition, the proposal would adopt an approach for future adjustments to the interchange fee cap, which would occur every other year based on issuer cost data gathered from large debit card issuers. We will continue to monitor the status of the proposed rule and are beginning the process of evaluating this proposed rulemaking and assessing the scale of its adverse impact on the Company and the Bank.

DISCUSSION OF RESULTS OF OPERATIONS

This section provides a review of financial performance on a consolidated basis. Key unaudited consolidated balance sheet and unaudited income statement 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."

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Table 1 - Selected Quarterly Income Statement Data

	Three months ended September 30,		Change	
(amounts in millions, except per share data)	2023	2022	Amount	Percent
Interest income	$ 2,313	$ 1,589	$ 724	46 %
Interest expense	945	185	760	NM
Net interest income	1,368	1,404	(36)	(3)
Provision for credit losses	99	106	(7)	(7)
Net interest income after provision for credit losses	1,269	1,298	(29)	(2)
Service charges on deposit accounts	97	93	4	4
Card and payment processing income	103	96	7	7
Capital markets fees	49	73	(24)	(33)
Trust and investment management services	62	60	2	3
Mortgage banking income	27	26	1	4
Leasing revenue	32	29	3	10
Insurance income	31	28	3	11
Gain on sale of loans	2	15	(13)	(87)
Bank owned life insurance income	18	13	5	38
Other noninterest income	88	65	23	35
Total noninterest income	509	498	11	2
Personnel costs	622	614	8	1
Outside data processing and other services	149	145	4	3
Equipment	65	60	5	8
Net occupancy	67	63	4	6
Marketing	29	24	5	21
Professional services	27	18	9	50
Deposit and other insurance expense	25	15	10	67
Amortization of intangibles	12	13	(1)	(8)
Lease financing equipment depreciation	6	11	(5)	(45)
Other noninterest expense	88	90	(2)	(2)
Total noninterest expense	1,090	1,053	37	4
Income before income taxes	688	743	(55)	(7)
Provision for income taxes	136	146	(10)	(7)
Income after income taxes	552	597	(45)	(8)
Income attributable to non-controlling interest	5	3	2	67
Net income attributable to Huntington	547	594	(47)	(8)
Dividends on preferred shares	37	29	8	28
Net income applicable to common shares	$ 510	$ 565	$ (55)	(10) %
Average common shares—basic	1,448	1,443	5	— %
Average common shares—diluted	1,468	1,465	3	—
Net income per common share—basic	$ 0.35	$ 0.39	$ (0.04)	(10)
Net income per common share—diluted	0.35	0.39	(0.04)	(10)
Return on average total assets	1.16 %	1.31 %		
Return on average common shareholders' equity	12.4	13.9		
Return on average tangible common shareholders' equity (1)	19.5	21.9		
Net interest margin (2)	3.20	3.42		
Efficiency ratio (3)	57.0	54.4		
Revenue and Net Interest Income—FTE (non-GAAP)				
Net interest income	$ 1,368	$ 1,404	$ (36)	(3) %
FTE adjustment (2)	11	8	3	38
Net interest income, FTE (non-GAAP) (2)	1,379	1,412	(33)	(2)
Noninterest income	509	498	11	2
Total revenue, FTE (non-GAAP) (2)	$ 1,888	$ 1,910	$ (22)	(1) %

(1) Net income applicable to common shares 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 21% tax rate.
(2) On an FTE basis assuming a 21% tax rate.
(3) Noninterest expense less amortization of intangibles divided by the sum of FTE net interest income and noninterest income excluding securities gains.

Table 2 - Selected Year to Date Income Statement Data

	Nine months ended September 30,		Change	
(amounts in millions, except per share data)	2023	2022	Amount	Percent
Interest income	$ 6,566	$ 4,115	$ 2,451	60 %
Interest expense	2,443	304	2,139	NM
Net interest income	4,123	3,811	312	8
Provision for credit losses	276	198	78	39
Net interest income after provision for credit losses	3,847	3,613	234	6
Service charges on deposit accounts	267	295	(28)	(9)
Card and payment processing income	298	278	20	7
Capital markets fees	165	169	(4)	(2)
Trust and investment management services	192	188	4	2
Mortgage banking income	86	119	(33)	(28)
Leasing revenue	83	91	(8)	(9)
Insurance income	95	86	9	10
Gain on sale of loans	13	55	(42)	(76)
Bank owned life insurance income	50	41	9	22
Net (losses) gains on sales of securities	(4)	—	(4)	NM
Other noninterest income	271	160	111	69
Total noninterest income	1,516	1,482	34	2
Personnel costs	1,884	1,771	113	6
Outside data processing and other services	448	463	(15)	(3)
Equipment	193	202	(9)	(4)
Net occupancy	181	185	(4)	(2)
Marketing	86	69	17	25
Professional services	64	56	8	14
Deposit and other insurance expense	68	53	15	28
Amortization of intangibles	38	40	(2)	(5)
Lease financing equipment depreciation	22	36	(14)	(39)
Other noninterest expense	242	249	(7)	(3)
Total noninterest expense	3,226	3,124	102	3
Income before income taxes	2,137	1,971	166	8
Provision for income taxes	414	371	43	12
Income after income taxes	1,723	1,600	123	8
Income attributable to non-controlling interest	15	7	8	114
Net income attributable to Huntington	1,708	1,593	115	7
Dividends on preferred shares	106	85	21	25
Net income applicable to common shares	$ 1,602	$ 1,508	$ 94	6 %
Average common shares—basic	1,446	1,441	5	— %
Average common shares—diluted	1,468	1,464	4	—
Net income per common share—basic	$ 1.11	$ 1.05	$ 0.06	6
Net income per common share—diluted	1.09	1.03	0.06	6
Revenue and Net Interest Income—FTE (Non-GAAP)				
Net interest income	$ 4,123	$ 3,811	$ 312	8 %
FTE adjustment	31	22	9	41
Net interest income, FTE (non-GAAP) (1)	4,154	3,833	321	8
Noninterest income	1,516	1,482	34	2
Total revenue, FTE (non-GAAP) (1)	$ 5,670	$ 5,315	$ 355	7 %

(1) On an FTE basis assuming a 21% tax rate.

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Average Balance Sheet / Net Interest Income

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

Table 3 - Consolidated Quarterly Average Balance Sheet and Net Interest Margin (1)

	Three months ended September 30, 2023			Three months ended September 30, 2022			Change in Average Balances	
(dollar amounts in millions)	Average Balances	Interest Income (FTE) (2)	Yield/ Rate (3)	Average Balances	Interest Income (FTE) (2)	Yield/ Rate (3)	Amount	Percent
Assets:								
Interest-bearing deposits at Federal Reserve Bank	$ 9,286	$ 127	5.45 %	$ 3,204	$ 19	2.39 %	$ 6,082	NM
Interest-bearing deposits in banks	261	4	6.59	260	2	3.31	1	—
Securities:								
Trading account securities	128	1	4.98	24	—	4.12	104	NM
Available-for-sale securities:								
Taxable	19,834	259	5.22	21,677	165	3.06	(1,843)	(9)
Tax-exempt	2,807	37	5.08	2,917	25	3.39	(110)	(4)
Total available-for-sale securities	22,641	296	5.20	24,594	190	3.09	(1,953)	(8)
Held-to-maturity securities—taxable	16,356	99	2.43	17,188	95	2.21	(832)	(5)
Other securities	859	19	9.22	804	7	3.21	55	7
Total securities	39,984	415	4.15	42,610	292	2.74	(2,626)	(6)
Loans held for sale	633	10	6.42	986	13	4.98	(353)	(36)
Loans and leases: (4)								
Commercial:								
Commercial and industrial	49,448	776	6.15	46,029	515	4.37	3,419	7
Commercial real estate	12,955	253	7.63	13,671	165	4.75	(716)	(5)
Lease financing	5,050	73	5.60	4,981	63	4.95	69	1
Total commercial	67,453	1,102	6.39	64,681	743	4.50	2,772	4
Consumer:								
Residential mortgage	23,278	213	3.66	21,552	174	3.23	1,726	8
Automobile	12,747	145	4.51	13,514	120	3.53	(767)	(6)
Home equity	10,108	195	7.66	10,431	143	5.43	(323)	(3)
RV and marine	5,813	73	4.96	5,454	59	4.29	359	7
Other consumer	1,385	40	11.67	1,332	32	9.55	53	4
Total consumer	53,331	666	4.97	52,283	528	4.02	1,048	2
Total loans and leases	120,784	1,768	5.76	116,964	1,271	4.28	3,820	3
Total earning assets	170,948	2,324	5.39	164,024	1,597	3.86	6,924	4
Cash and due from banks	1,559			1,697			(138)	(8)
Goodwill and other intangible assets	5,722			5,781			(59)	(1)
All other assets	10,576			10,154			422	4
Allowance for loan and lease losses	(2,206)			(2,099)			(107)	(5)
Total assets	$ 186,599			$ 179,557			$ 7,042	4 %
Liabilities and shareholders' equity:								
Interest-bearing deposits:								
Demand deposits—interest-bearing	$ 39,757	$ 199	1.98 %	$ 42,038	$ 42	0.40 %	$ (2,281)	(5) %
Money market deposits	41,445	327	3.12	34,058	25	0.29	7,387	22
Savings and other domestic deposits	17,774	6	0.15	21,439	1	0.02	(3,665)	(17)
Core certificates of deposit (5)	11,348	119	4.17	2,040	1	0.10	9,308	NM
Other domestic deposits of $250,000 or more	406	4	3.78	193	—	0.35	213	110
Negotiable CDs, brokered and other deposits	4,634	58	4.93	4,124	23	2.25	510	12
Total interest-bearing deposits	115,364	713	2.45	103,892	92	0.35	11,472	11
Short-term borrowings	859	17	7.60	2,609	22	3.31	(1,750)	(67)
Long-term debt	13,772	215	6.27	8,251	71	3.40	5,521	67
Total interest-bearing liabilities	129,995	945	2.88	114,752	185	0.64	15,243	13
Demand deposits—noninterest-bearing	32,786			42,116			(9,330)	(22)
All other liabilities	5,028			4,340			688	16
Total liabilities	167,809			161,208			6,601	4
Total Huntington shareholders' equity	18,741			18,317			424	2
Non-controlling interest	49			32			17	53
Total equity	18,790			18,349			441	2
Total liabilities and equity	$ 186,599			$ 179,557			$ 7,042	4 %
Net interest rate spread			2.51			3.22		
Impact of noninterest-bearing funds on margin			0.69			0.20		
Net interest margin/NII (FTE)		$ 1,379	3.20 %		$ 1,412	3.42 %		

(1) During the 2023 second quarter, the process for assessing and monitoring the risk and performance of non-real estate secured commercial loans was revised, primarily loans to REITs. These loans were reclassified from CRE to the C&I loan category to align reporting with this process revision. All prior period results have been adjusted to conform to the current presentation.
(2) FTE yields are calculated assuming a 21% tax rate.
(3) Yield/rates include the impact of applicable derivatives. Loan and lease and deposit average yield/rates also include impact of applicable non-deferrable and amortized fees.
(4) For purposes of this analysis, NALs are reflected in the average balances of loans and leases.
(5) Includes consumer certificates of deposit of $250,000 or more.

Quarterly Net Interest Income

Net interest income for the 2023 third quarter decreased $36 million, or 3%, from the 2022 third quarter. FTE net interest income, a non-GAAP financial measure, for the 2023 third quarter decreased $33 million, or 2%, from the 2022 third quarter. The decrease in FTE net interest income primarily reflects a 22 basis point decrease in the FTE NIM to 3.20% and a $15.2 billion, or 13%, increase in average interest-bearing liabilities, partially offset by a $6.9 billion, or 4%, increase in average earning assets. The NIM compression was primarily driven by higher cost of funds and an increase in deposits held at the Federal Reserve Bank, partially offset by the higher rate environment driving an increase in loan and lease and investment security yields.

Quarterly Average Balance Sheet

Average assets for the 2023 third quarter increased $7.0 billion, or 4%, to $186.6 billion from the 2022 third quarter, primarily due to an increase in average interest-bearing deposits at the Federal Reserve Bank of $6.1 billion, and average loans and leases of $3.8 billion, or 3%, partially offset by a decrease in average total securities of $2.6 billion, or 6%. The increase in average loans and leases was driven by growth in average commercial loans and leases of $2.8 billion, or 4%, and average consumer loans of $1.0 billion, or 2%.

Average liabilities for the 2023 third quarter increased $6.6 billion, or 4%, from the 2022 third quarter, primarily due to increases in average borrowings and deposits. Average borrowings increased $3.8 billion, or 35%, driven by new debt issuances and additional FHLB borrowings reflecting actions taken as part of normal management of funding needs. Average deposits increased $2.1 billion, primarily due to an increase in average interest-bearing deposits of $11.5 billion, or 11%, partially offset by a decrease in noninterest-bearing deposits of $9.3 billion, or 22%. The increase in average deposits was primarily due to increases in average certificate of deposits and money market deposits, partially offset by decreases in savings and other domestic deposits and interest-bearing demand deposits.

Average shareholders’ equity for the 2023 third quarter increased $424 million, or 2%, from the 2022 third quarter primarily due to earnings, partially offset by an increase in average accumulated other comprehensive loss driven by changes in interest rates.

Table 4 - Consolidated YTD Average Balance Sheets and Net Interest Margin (1)

	Nine months ended							
	September 30, 2023			September 30, 2022			Change in Average Balances	
(dollar amounts in millions)	Average Balances	Interest Income (FTE) (2)	Yield/ Rate (2)	Average Balances	Interest Income (FTE) (2)	Yield/ Rate (3)	Amount	Percent
Assets:								
Interest-bearing deposits at Federal Reserve Bank	$ 8,825	$ 339	5.12 %	$ 4,629	$ 29	0.84 %	$ 4,196	91 %
Interest-bearing deposits in banks	246	14	7.60	200	3	1.85	46	23
Securities:								
Trading account securities	61	2	4.98	33	1	3.75	28	85
Available-for-sale securities:								
Taxable	20,702	743	4.79	22,509	378	2.24	(1,807)	(8)
Tax-exempt	2,731	99	4.79	2,887	66	3.04	(156)	(5)
Total available-for-sale securities	23,433	842	4.79	25,396	444	2.33	(1,963)	(8)
Held-to-maturity securities—taxable	16,696	303	2.42	16,336	251	2.05	360	2
Other securities	1,003	40	5.37	841	18	2.83	162	19
Total securities	41,193	1,187	3.84	42,606	714	2.23	(1,413)	(3)
Loans held for sale	548	25	6.13	1,086	33	4.00	(538)	(50)
Loans and leases: (4)								
Commercial:								
Commercial and industrial	49,559	2,208	5.88	44,641	1,343	3.97	4,918	11
Commercial real estate	13,323	729	7.21	13,412	389	3.83	(89)	(1)
Lease financing	5,137	212	5.44	4,938	185	4.95	199	4
Total commercial	68,019	3,149	6.10	62,991	1,917	4.01	5,028	8
Consumer:								
Residential mortgage	22,793	603	3.53	20,536	478	3.10	2,257	11
Automobile	12,971	408	4.20	13,512	347	3.44	(541)	(4)
Home equity	10,173	563	7.40	10,406	360	4.62	(233)	(2)
RV and marine	5,554	194	4.67	5,293	166	4.19	261	5
Other consumer	1,341	115	11.49	1,301	90	9.21	40	3
Total consumer	52,832	1,883	4.76	51,048	1,441	3.77	1,784	3
Total loans and leases	120,851	5,032	5.52	114,039	3,358	3.91	6,812	6
Total earning assets	171,663	6,597	5.14	162,560	4,137	3.40	9,103	6
Cash and due from banks	1,598			1,672			(74)	(4)
Goodwill and other intangible assets	5,738			5,660			78	1
All other assets	10,594			10,092			502	5
Allowance for loan and lease losses	(2,174)			(2,067)			(107)	(5)
Total assets	$ 187,419			$ 177,917			$ 9,502	5 %
Liabilities and Shareholders' Equity:								
Interest-bearing deposits:								
Demand deposits—interest-bearing	$ 40,058	$ 498	1.66 %	$ 41,467	$ 56	0.18 %	$ (1,409)	(3) %
Money market deposits	39,181	754	2.57	33,512	37	0.15	5,669	17
Savings and other domestic deposits	18,818	15	0.11	21,480	3	0.02	(2,662)	(12)
Core certificates of deposit (5)	8,659	245	3.79	2,274	2	0.10	6,385	NM
Other domestic deposits of $250,000 or more	326	8	3.27	244	—	0.24	82	34
Negotiable CDs, brokered and other deposits	4,650	169	4.85	3,522	30	1.14	1,128	32
Total interest-bearing deposits	111,692	1,689	2.02	102,499	128	0.17	9,193	9
Short-term borrowings	3,478	151	5.80	3,139	36	1.52	339	11
Long-term debt	13,700	603	5.87	7,401	140	2.51	6,299	85
Total interest-bearing liabilities	128,870	2,443	2.53	113,039	304	0.36	15,831	14
Demand deposits—noninterest-bearing	34,933			42,157			(7,224)	(17)
All other liabilities	4,960			4,158			802	19
Total liabilities	168,763			159,354			9,409	6
Total Huntington shareholders' equity	18,607			18,534			73	—
Non-controlling interest	49			29			20	69
Total equity	18,656			18,563			93	1
Total liabilities and shareholders' equity	$ 187,419			$ 177,917			$ 9,502	5 %
Net interest rate spread			2.61			3.04		
Impact of noninterest-bearing funds on margin			0.63			0.11		
Net interest margin/NII		$ 4,154	3.24 %		$ 3,833	3.15 %		

(1) During the 2023 second quarter, the process for assessing and monitoring the risk and performance of non-real estate secured commercial loans was revised, primarily loans to REITs. These loans were reclassified from CRE to the C&I loan category to align reporting with this process revision. All prior period results have been adjusted to conform to the current presentation.
(2) FTE yields are calculated assuming a 21% tax rate.
(3) Average yield rates include the impact of applicable derivatives. Loan and lease and deposit average yield rates also include impact of applicable non-deferrable and amortized fees.
(4) For purposes of this analysis, NALs are reflected in the average balances of loans and leases.
(5) Includes consumer certificates of deposit of $250,000 or more.

Year to Date Net Interest Income

Net interest income for the first nine-month period of 2023 increased $312 million, or 8%, from the year-ago period. FTE net interest income, a non-GAAP financial measure, for the first nine-month period of 2023 increased $321 million, or 8%, from the year-ago period. The increase in FTE net interest income reflected the benefit of a 9 basis point increase in the FTE NIM to 3.24% and a $9.1 billion, or 6%, increase in average total earning assets, partially offset by a $15.8 billion, or 14%, increase in interest-bearing liabilities and lower purchase accounting accretion and accelerated PPP loan fees recognized upon forgiveness payments from the SBA.

The NIM expansion was driven by the higher rate environment driving an increase in loans and lease and investment security yields, partially offset by higher cost of funds and an increase in deposits held at the Federal Reserve Bank.

Net interest income for the first nine-month period of 2023 included $24 million of net interest income from purchase accounting accretion, compared to $50 million and $20 million from purchase accounting accretion and accelerated PPP loan fees recognized upon forgiveness payments from the SBA, respectively, in the year-ago period.

Year to Date Average Balance Sheet

Average assets for the first nine-month period of 2023 increased $9.5 billion, or 5%, to $187.4 billion from the year-ago period, primarily due to increases in average loans and leases of $6.8 billion, or 6%, and interest-bearing deposits at the Federal Reserve Bank of $4.2 billion, or 91%, partially offset by a decrease in total securities of $1.4 billion, or 3%. The increase in average loans and leases was driven by growth in average commercial loans and leases of $5.0 billion, or 8%, and average consumer loans of $1.8 billion, or 3%.

Average liabilities for the first nine-month period of 2023 increased $9.4 billion, or 6%, from the year-ago period, primarily due to increases in average borrowings and deposits. Average borrowings increased $6.6 billion, or 63%, driven by higher long-term FHLB borrowings and new debt issuances reflecting actions taken as part of normal management of funding needs. Total average deposits increased $2.0 billion, or 1%, primarily due to an increase in average interest-bearing deposits of $9.2 billion, or 9%, largely due to increases in average certificates of deposits and money market deposits, partially offset by a decrease in noninterest-bearing deposits of $7.2 billion, or 17%.

Average shareholders’ equity for the first nine-month of 2023 increased $73 million from the year-ago period primarily due to earnings, partially offset by an increase in average accumulated other comprehensive loss driven by changes in interest rates.

Provision for Credit Losses

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

The provision for credit losses for the 2023 third quarter was $99 million, a decrease of $7 million, compared to the 2022 third quarter. On a year-to-date basis, the provision for credit losses for the first nine-month period of 2023 was $276 million, an increase of $78 million, or 39%, compared to the year-ago period. The decrease in provision expense over the prior year quarter was driven by a marginal reduction in loan and lease balances during the 2023 third quarter, compared to strong loan and lease growth in third quarter 2022. The increase over the prior year-to-date period was driven by modest allowance builds and higher levels of Commercial charge-off activity in 2023.

The components of the provision for credit losses were as follows:

Table 5 - Provision for Credit Losses

	Three months ended		Nine months ended	
(dollar amounts in millions)	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Provision for loan and lease losses	$ 104	$ 80	$ 266	$ 151
Provision for unfunded lending commitments	(5)	26	10	43
Provision for securities	—	—	—	4
Total provision for credit losses	$ 99	$ 106	$ 276	$ 198

Noninterest Income

The following table reflects noninterest income for each of the periods presented:

Table 6 - Noninterest Income

	Three months ended			Nine months ended		
(dollar amounts in millions)	September 30, 2023	September 30, 2022	Change Percent	September 30, 2023	September 30, 2022	Change Percent
Service charges on deposit accounts	$ 97	$ 93	4 %	$ 267	$ 295	(9)%
Card and payment processing income	103	96	7	298	278	7
Capital markets fees	49	73	(33)	165	169	(2)
Trust and investment management services	62	60	3	192	188	2
Mortgage banking income	27	26	4	86	119	(28)
Leasing revenue	32	29	10	83	91	(9)
Insurance income	31	28	11	95	86	10
Gain on sale of loans	2	15	(87)	13	55	(76)
Bank owned life insurance income	18	13	38	50	41	22
Net (losses) gains on sales of securities	—	—	—	(4)	—	(100)
Other noninterest income	88	65	35	271	160	69
Total noninterest income	$ 509	$ 498	2 %	$ 1,516	$ 1,482	2 %

Noninterest income for the 2023 third quarter was $509 million, an increase of $11 million, or 2%, from the year-ago quarter. Other noninterest income increased $23 million, or 35%, primarily due to a $33 million increase from favorable mark-to-market on pay-fixed swaptions. Additional increases included card and payment processing income of $7 million, or 7%, primarily driven by an increase in debit card usage, bank owned life insurance income of $5 million, or 38%, and service charges on deposit accounts of $4 million, or 4%. Partially offsetting these increases, capital markets fees decreased $24 million, or 33%, primarily driven by lower syndication and interest rate derivative fees, and gain on sale of loans decreased $13 million, or 87%, primarily resulting from the strategic decision to retain the guaranteed portion of SBA loans at origination.

Noninterest income for the first nine-month period of 2023 increased $34 million, or 2%, from the year-ago period. Other noninterest income increased $111 million, or 69%, primarily due to a $57 million gain on the sale of our RPS business, including associated goodwill allocation, and a $50 million increase from favorable mark-to-market on pay-fixed swaptions. Card and payments processing income increased $20 million, or 7%, largely due to an increase in debit card usage. Partially offsetting these increases, gain on sale of loans decreased $42 million, or 76%, primarily resulting from the strategic decision to retain the guaranteed portion of SBA loans at origination. Mortgage banking decreased $33 million, or 28%, primarily reflecting lower salable volume and spreads. Service charges on deposits accounts decreased $28 million, or 9%, primarily reflecting the impact from program changes.

Noninterest Expense

The following table reflects noninterest expense for each of the periods presented:

Table 7 - Noninterest Expense

	Three months ended			Nine months ended		
(dollar amounts in millions)	September 30, 2023	September 30, 2022	Change Percent	September 30, 2023	September 30, 2022	Change Percent
Personnel costs	$ 622	$ 614	1 %	$ 1,884	$ 1,771	6 %
Outside data processing and other services	149	145	3	448	463	(3)
Equipment	65	60	8	193	202	(4)
Net occupancy	67	63	6	181	185	(2)
Marketing	29	24	21	86	69	25
Professional services	27	18	50	64	56	14
Deposit and other insurance expense	25	15	67	68	53	28
Amortization of intangibles	12	13	(8)	38	40	(5)
Lease financing equipment depreciation	6	11	(45)	22	36	(39)
Other noninterest expense	88	90	(2)	242	249	(3)
Total noninterest expense	$ 1,090	$ 1,053	4 %	$ 3,226	$ 3,124	3 %
Number of employees (average full-time equivalent)	19,826	19,997	(1) %	20,073	19,884	1 %

Noninterest expense for the 2023 third quarter was $1.1 billion, an increase of $37 million, or 4%, from the year-ago quarter. There were no acquisition-related expenses for the 2023 third quarter, compared to $10 million in the year-ago quarter. Deposit and other insurance expense increased $10 million, or 67%, primarily due to the 2 basis point higher base assessment rate enacted for the banking industry at the beginning of 2023 and a shift in balance sheet mix. Professional services increased $9 million, or 50%, largely due to an increase in consulting fees. Personnel costs increased $8 million, or 1%, primarily reflecting $8 million of severance expense related to staffing efficiencies. Additionally, net occupancy expense for the 2023 third quarter included $7 million of corporate real estate consolidation expense.

Noninterest expense for the first nine-month period of 2023 increased $102 million, or 3%, from the year-ago period. There were no acquisition-related expenses for the first nine-month period of 2023, compared to $80 million in the year-ago period. Personnel costs increased $113 million, or 6%, primarily due to $50 million of expense related to staffing efficiencies, the impact of Capstone Partners acquisition, and merit increases, partially offset by an $8 million decrease in acquisition-related expenses. Marketing expense increased $17 million, or 25%, primarily reflecting actions taken to deepen and acquire new customer relationships. Deposit and other insurance expense increased $15 million, or 28%, primarily due to the 2 basis point higher base assessment rate enacted for the banking industry at the beginning of 2023 and a shift in balance sheet mix. Partially offsetting these increases, outside data processing decreased $15 million, or 3%, primarily due to a decrease of $39 million in acquisition-related expenses, partially offset by higher technology investments, and lease financing equipment depreciation decreased $14 million, or 39%. Net occupancy decreased $4 million, or 2%, primarily due to a $22 million decrease in acquisition-related expenses, partially offset by an increase in corporate real estate and branch consolidation expense and a decrease in gain on sale of fixed assets.

Provision for Income Taxes

The provision for income taxes in the 2023 third quarter was $136 million, compared to $146 million in the 2022 third quarter. The provision for income taxes for the nine-month periods ended September 30, 2023 and September 30, 2022 were $414 million and $371 million, respectively. All periods included the benefits from general business credits, tax-exempt income, tax-exempt bank owned life insurance income, and investments in qualified affordable housing projects. The effective tax rate for both the 2023 third quarter and 2022 third quarter was 19.7%. The effective tax rates for the nine-month periods ended September 30, 2023 and September 30, 2022 were 19.4% and 18.8%, respectively. The variance between the nine-month period ended September 30, 2023 compared to the nine-month period ended September 30, 2022 provision for income taxes and effective tax rates relates primarily to a reduction in capital losses, partially offset by an increase in tax credits.

The net federal deferred tax asset was $570 million, and the net state deferred tax asset was $108 million at September 30, 2023.

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 2016. Also, with few exceptions, the Company is no longer subject to state and local income tax examinations for tax years before 2018.

RISK MANAGEMENT AND CAPITAL

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 management, and authorization and reconciliation procedures, as well as staff education and a disciplined assessment process. 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, through-the-cycle.

We classify/aggregate risk into seven risk pillars: credit, market; liquidity, operational, compliance, strategic, and reputation. More information on risk can be found in Item 1A Risk Factors below, the Risk Factors section included in Item 1A of our 2022 Annual Report on Form 10-K and subsequent filings with the SEC. The MD&A included in our 2022 Annual Report on Form 10-K should be read in conjunction with this MD&A, as this discussion provides only material updates to the 2022 Annual Report on Form 10-K. This MD&A should also be read in conjunction with the Unaudited Consolidated Financial Statements, Notes to Unaudited Consolidated Financial Statements, 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 2022 Annual Report on 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 investment securities portfolios (see Note 3 "Investment Securities and Other Securities" of the Notes to the Unaudited 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. A variety of derivative financial instruments, principally interest rate swaps, swaptions, swaption collars, and floors are used in asset and liability management activities to protect against the risk of adverse price or interest rate movements. We also use derivatives, principally loan sale commitments, in hedging our mortgage loan interest rate lock commitments and mortgage loans held for sale. While there is credit risk associated with derivative activity, we believe this exposure is minimal.

We focus on the early identification, monitoring, and management of all aspects 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 quantitative measurement capabilities utilizing external data sources, enhanced modeling technology, and internal stress testing processes. Our disciplined portfolio management processes are central to our commitment to maintaining an aggregate moderate-to-low, through-the-cycle risk appetite. In our efforts to identify risk mitigation techniques, we have focused on product design features, origination policies, and solutions for delinquent or stressed borrowers.

Loan and Lease Credit Exposure Mix

Refer to the "*Loan and Lease Credit Exposure Mix*" section of our 2022 Annual Report on Form 10-K for a brief description of each portfolio segment. During the 2023 second quarter, Huntington revised its process for assessing and monitoring the risk and performance of non-real estate secured commercial loans, primarily loans to REITs. These loans were reclassified from CRE to the C&I loan category to align reporting with this process revision. All prior period results have been adjusted to conform to the current presentation.

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

Table 8 - Loan and Lease Portfolio Composition

(dollar amounts in millions)	At September 30, 2023		At December 31, 2022	
Commercial:				
Commercial and industrial	$ 49,422	41 %	$ 48,121	41 %
Commercial real estate	12,668	11	13,640	11
Lease financing	5,161	4	5,252	4
Total commercial	67,251	56	67,013	56
Consumer:				
Residential mortgage	23,427	19	22,226	19
Automobile	12,724	11	13,154	11
Home equity	10,118	8	10,375	9
RV and marine	5,937	5	5,376	4
Other consumer	1,396	1	1,379	1
Total consumer	53,602	44	52,510	44
Total loans and leases	$ 120,853	100 %	$ 119,523	100 %

Our loan and lease portfolio is a managed mix of consumer and commercial credits. We manage the overall credit exposure and portfolio composition via a credit concentration policy. The policy designates specific loan types, collateral types, and loan structures to be formally tracked and assigned maximum exposure limits as a percentage of capital. Commercial lending by NAICS categories, specific limits for CRE project types, loans secured by residential real estate, large dollar exposures, and designated high risk loan categories represent examples of specifically tracked components of our concentration management process. There are no identified concentrations that exceed the assigned exposure limit. Our concentration management policy is approved by the ROC and is used to ensure a high quality, well diversified portfolio that is consistent with our overall objective of maintaining an aggregate moderate-to-low, through-the-cycle risk appetite. Changes to existing concentration limits, incorporating specific information relating to the potential impact on the overall portfolio composition and performance metrics, require the approval of the ROC prior to implementation.

Commercial Credit

Refer to the "*Commercial Credit*" section of our 2022 Annual Report on Form 10-K for our commercial credit underwriting and on-going credit management processes.

Consumer Credit

Refer to the "*Consumer Credit*" section of our 2022 Annual Report on Form 10-K for our consumer credit underwriting and on-going credit management processes.

The table below provides our total loan and lease portfolio by industry type:

Table 9 - Loan and Lease Portfolio by Industry Type

(dollar amounts in millions)	At September 30, 2023			At December 31, 2022		
Commercial loans and leases:						
Real estate and rental and leasing (1)	$	16,272	13 %	$	16,310	14 %
Retail trade (2)		10,776	9		9,894	8
Manufacturing		7,564	6		7,809	7
Finance and insurance (1)		4,856	4		5,005	4
Health care and social assistance (1)		4,370	4		4,293	4
Wholesale Trade		3,656	3		3,922	3
Accommodation and food services		3,137	3		3,335	3
Transportation and warehousing		3,101	3		3,246	3
Professional, scientific, and technical services		1,998	2		1,899	2
Utilities		1,932	2		1,298	1
Other Services		1,816	2		2,097	2
Construction		1,679	1		1,757	1
Admin./Support/Waste Mgmt. and Remediation Services		1,446	1		1,370	1
Arts, entertainment, and recreation		1,357	1		1,424	1
Information		1,246	1		1,167	1
Public administration		651	1		667	1
Educational services		434	—		513	—
Agriculture, forestry, fishing, and hunting		407	—		455	—
Management of companies and enterprises		128	—		127	—
Mining, quarrying, and oil and gas extraction		123	—		196	—
Unclassified/other		302	—		229	—
Total commercial loans and leases by industry category		67,251	56		67,013	56
Residential mortgage		23,427	19		22,226	19
Automobile		12,724	11		13,154	11
Home equity		10,118	8		10,375	9
RV and marine		5,937	5		5,376	4
Other consumer loans		1,396	1		1,379	1
Total loans and leases	$	120,853	100 %	$	119,523	100 %

(1) Non-real estate secured commercial loans to REITs, which are classified in the C&I loan category, are included in the real estate, finance and insurance, and health care industry types.
(2) Amounts include $2.9 billion and $2.3 billion of auto dealer services loans at September 30, 2023 and December 31, 2022, respectively.

Credit Quality

(This section should be read in conjunction with Note 4 "Loans and Leases" and Note 5 "Allowance for Credit Losses" of the Notes to Unaudited Consolidated Financial Statements.)

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

Credit quality performance in the 2023 third quarter reflected NCOs of $73 million, or 0.24% of average total loans and leases, annualized, an increase of $29 million, compared to $44 million, or 0.15%, in the year-ago quarter. The increase was driven by a $30 million increase in commercial NCOs to $45 million in the 2023 third quarter. NPAs increased from December 31, 2022 by $40 million, or 7%, largely driven by an increase in commercial NALs.

NPAs and NALs

(This section should be read in conjunction with Note 4 "Loans and Leases" and Note 5 "Allowance for Credit Losses" of the Notes to Consolidated Financial Statements and "Credit Quality" section appearing in Huntington's 2022 Annual Report on Form 10-K.)

NPAs and NALs

Commercial loans and leases are placed on nonaccrual status at 90-days past due, or earlier if repayment of principal and interest is in doubt. Of the $430 million of commercial related NALs at September 30, 2023, $286 million, or 67%, represent loans and leases that were less than 30-days past due, demonstrating our continued commitment to proactive credit risk management.

The following table reflects period-end NALs and NPAs detail:

Table 10 - Nonaccrual Loans and Leases and Nonperforming Assets

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
Nonaccrual loans and leases (NALs):		
Commercial and industrial	$ 314	$ 288
Commercial real estate	102	92
Lease financing	14	18
Residential mortgage	75	90
Automobile	4	4
Home equity	82	76
RV and marine	1	1
Total nonaccrual loans and leases	592	569
Other real estate, net	14	11
Other NPAs (1)	28	14
Total nonperforming assets	$ 634	$ 594
Nonaccrual loans and leases as a % of total loans and leases	0.49 %	0.48 %
NPA ratio (2)	0.52	0.50

(1) Other nonperforming assets include certain impaired investment securities and/or nonaccrual loans held-for-sale.
(2) Nonperforming assets divided by the sum of loans and leases, other real estate owned, and other NPAs.

ACL

The baseline scenario used for the 2023 third quarter assumes softening of the labor market is underway and will continue through the middle of 2025 causing the unemployment rate to gradually increase, peaking at 4.2% in mid-2025 and remaining at that level through 2027. The overnight federal funds rate is forecasted to have peaked during the third quarter of 2023, remaining at this terminal level until mid-2024 as the Federal Reserve continues to address inflation levels and tightness in the labor market. The expectation is that the Federal Reserve would then start to cut rates in the second half of 2024, although monetary policy remains restrictive until the end of 2026. The federal funds rate is forecasted to return to its neutral rate of 2.5% in early 2027. Inflation is forecasted to drop from an average of 4.1% in 2023 to 2.7% in 2024, approaching the Federal Reserve target level of 2% by third quarter 2024, as a result of the Federal Reserve's actions. The GDP forecast for the fourth quarter of 2023 into 2024 has fallen somewhat from year end, a result of elevated interest rates and tightening credit conditions. GDP is now forecasted to be 1.9% by the fourth quarter of 2024.

Management uses a probability-weighted approach that incorporates a baseline, an adverse and a more favorable economic scenario when formulating that quantitative estimate for the allowance. The table below is intended to show how the forecasted path of unemployment and GDP in the baseline scenario has changed since the end of 2022:

Table 11 - Forecasted Key Macroeconomic Variables

Baseline scenario forecast	2022	2023		2024	
	Q4	Q2	Q4	Q2	Q4
Unemployment rate (1)					
4Q 2022	3.7 %	3.9 %	4.1 %	4.1 %	3.9 %
3Q 2023	N/A	N/A	3.7	4.0	4.2
Gross Domestic Product (1)					
4Q 2022	(0.1)%	0.4 %	2.0 %	2.3 %	2.7 %
3Q 2023	N/A	N/A	0.3	1.5	1.9

(1) Values reflect the baseline scenario forecast inputs for each period presented, not updated for subsequent actual amounts.

Management continues to assess the uncertainty in the macroeconomic environment, including political uncertainty, geopolitical instability, and current inflation levels, considering multiple macroeconomic forecasts that reflected a range of possible outcomes. While we have incorporated estimates of economic uncertainty into our ACL, the ultimate impact of recent inflation levels, higher interest rates, and the significant conflicts on-going around the world will have on the economy remains unknown.

Management develops additional analytics to support adjustments to our modeled results. Our governance committees reviewed model results of each economic scenario for appropriate usage, concluding that the quantitative transactional reserve will continue to utilize scenario weighting. Given the uncertainty associated with key economic scenario assumptions, the September 30, 2023 ACL included a general reserve that consists of various risk profile components, including profiles to capture uncertainty not addressed within the quantitative transaction reserve.

Our ACL evaluation process includes the on-going assessment of credit quality metrics, and a comparison of certain ACL benchmarks to current performance.

The table below reflects the allocation of our ALLL among our various loan and lease categories as well as certain coverage metrics of the reported ALLL and ACL:

Table 12 - Allocation of Allowance for Credit Losses

(dollar amounts in millions)	At September 30, 2023			At December 31, 2022		
	Allocation of Allowance	% of Total ALLL	% of Total Loans and Leases (1)	Allocation of Allowance	% of Total ALLL	% of Total Loans and Leases (1)
Commercial						
Commercial and industrial	$ 973	44 %	41 %	$ 939	45 %	41 %
Commercial real estate	483	22	11	433	20	11
Lease financing	48	2	4	52	2	4
Total commercial	1,504	68	56	1,424	67	56
Consumer						
Residential mortgage	200	10	19	187	8	19
Automobile	143	6	11	141	7	11
Home equity	115	5	8	105	5	9
RV and marine	151	7	5	143	7	4
Other consumer	95	4	1	121	6	1
Total consumer	704	32 %	44 %	697	33 %	44 %
Total ALLL	2,208			2,121		
AULC	160			150		
Total ACL	$ 2,368			$ 2,271		
Total ALLL as a % of						
Total loans and leases	1.83 %			1.77 %		
Nonaccrual loans and leases	373			373		
NPAs	348			357		
Total ACL as % of						
Total loans and leases	1.96 %			1.90 %		
Nonaccrual loans and leases	400			400		
NPAs	373			382		

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

At September 30, 2023, the ACL was $2.4 billion, or 1.96% of total loans and leases, compared to $2.3 billion, or 1.90%, at December 31, 2022. The increase in the total ACL was driven by a combination of loan and lease growth and modest overall coverage ratio builds throughout 2023. The ACL coverage ratio at September 30, 2023 is reflective of the current macro-economic environment including recognition of the near-term recessionary risks.

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NCOs

The table below reflects NCO detail for each of the periods presented:

able 13 - Net Charge-off Analysis

	Three months ended		Nine months ended	
ollar amounts in millions)	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
et charge-offs (recoveries) by loan and lease type:				
ommercial:				
Commercial and industrial	$ 32	$ 16	$ 68	$ (11)
Commercial real estate	11	(3)	36	1
Lease financing	2	2	(3)	4
Total commercial	45	15	101	(6)
onsumer:				
Residential mortgage	1	(1)	2	(2)
Automobile	4	3	12	3
Home equity	—	(2)	(1)	(5)
RV and marine	3	2	7	6
Other consumer	20	27	58	75
Total consumer	28	29	78	77
otal net charge-offs	$ 73	$ 44	$ 179	$ 71
et charge-offs (recoveries) - annualized percentages:				
ommercial:				
Commercial and industrial	0.26%	0.14%	0.18%	(0.03)%
Commercial real estate	0.35	(0.07)	0.37	0.01
Lease financing	0.12	0.17	(0.08)	0.11
Total commercial	0.27	0.10	0.20	(0.01)
onsumer:				
Residential mortgage	0.01	(0.02)	0.01	(0.01)
Automobile	0.14	0.07	0.13	0.03
Home equity	(0.01)	(0.07)	(0.02)	(0.06)
RV and marine	0.16	0.17	0.16	0.16
Other consumer	6.09	8.09	5.88	7.72
Total consumer	0.21	0.22	0.20	0.20
et charge-offs as a % of average loans and leases	0.24%	0.15%	0.20%	0.08%

NCOs were an annualized 0.24% of average loans and leases in the current quarter, up from 0.15% in the 2022 third quarter. NCOs for the commercial portfolios were higher, with annualized net charge-offs of 0.27% in the current quarter, compared to 0.10% in the year-ago quarter, reflecting the continued normalization of net charge-offs. Consumer charge-offs were modestly lower in the quarter, compared to the year-ago quarter.

NCOs were an annualized 0.20% of average loans and leases for the first nine-month period of 2023, up from 0.08% in the year ago period. NCOs for the commercial portfolios were higher with annualized net charge-offs of 0.20% in the current period compared to net recoveries of 0.01% in the year-ago period. Consumer charge-offs remained consistent in the period, compared to the year-ago period.

Market Risk

(This section should be read in conjunction with the “Market Risk” section appearing in Huntington’s 2022 Annual Report on Form 10-K for our on-going market risk management processes.)

Market risk refers to potential losses arising from changes in interest rates, foreign exchange rates, equity prices and commodity prices, including the correlation among these factors and their volatility. When the value of an instrument is tied to such external factors, the holder faces market risk. We are primarily exposed to interest rate risk as a result of offering a wide array of financial products to our customers and secondarily to price risk from trading securities, securities owned by our broker-dealer subsidiaries, foreign exchange positions, equity investments, and investments in securities backed by mortgage loans.

We measure market risk exposure via financial simulation models, which provide management with insights on the potential impact to net interest income and other key metrics as a result of changes in market interest rates. Models are used to simulate cash flows and accrual characteristics of the balance sheet based on assumptions regarding the slope or shape of the yield curve, the direction and volatility of interest rates, and the changing composition and characteristics of the balance sheet resulting from strategic objectives and customer behavior. Our models incorporate market-based assumptions that include the impact of changing interest rates on prepayment rates of assets and runoff rates of deposits. The models also include our projections of the future volume and pricing of various business lines.

In measuring the financial risks associated with interest rate sensitivity in our balance sheet, we compare a set of alternative interest rate scenarios to the results of a base case scenario derived using market forward rates. The market forward reflects the market consensus regarding the future level and slope of the yield curve across a range of tenor points. The standard set of interest rate scenarios includes two types: “shock” scenarios which are immediate parallel rate shifts, and “ramp” scenarios where the parallel shift is applied gradually over the first 12 months of the forecast on a pro rata basis. In both shock and ramp scenarios with falling rates, we presume that market rates will not go below 0%. The scenarios are inclusive of all executed interest rate risk hedging activities. Forward starting hedges are included to the extent that they have been transacted and that they start within the measurement horizon.

We use two approaches to model interest rate risk: Net interest income at risk (NII at risk) and economic value of equity at risk modeling sensitivity analysis (EVE at Risk).

Table 14 - Net Interest Income at Risk

	Net Interest Income at Risk (%)			
Basis point change scenario	-200	-100	+100	+200
At September 30, 2023	-5.3	-2.7	2.9	5.6
At December 31, 2022	-4.1	-2.0	2.0	4.0

NII at Risk is used by management to measure the risk and impact to earnings over the next 12 months, using a variety of interest rate scenarios. The NII at Risk results included in the table above reflect the analysis used monthly by management. It models gradual “ramp” -200, -100, +100 and +200 basis point parallel shift scenarios, implied by the forward yield curve over the next 12 months.

The NII at Risk shows that the balance sheet is asset sensitive at both September 30, 2023, and December 31, 2022. A key driver of the change in sensitivity can be attributed to hedging activity, which has supported an increase to asset sensitivity in rising rate scenarios, while minimizing the impact to falling rate scenarios. Other drivers to the change in sensitivity include changes in the funding mix, deposit modeling assumptions, and market rates.

Table 15 - Economic Value of Equity at Risk

	Economic Value of Equity at Risk (%)			
Basis point change scenario	-200	-100	+100	+200
At September 30, 2023	1.7	1.9	-3.2	-6.7
At December 31, 2022	9.0	5.9	-8.0	-17.3

EVE at Risk provides a sensitivity analysis on shareholder's equity for longer-term interest rate risk in the banking book. The EVE results included in the table above reflect the analysis used monthly by management. It models immediate -200, -100, +100 and +200 basis point parallel "shock" scenarios.

The change in sensitivity from December 31, 2022 was driven primarily by updated deposit modeling assumptions and market rates, as well as changes in the funding mix and hedging activity.

To address the discontinuance of LIBOR, we established a LIBOR transition team and project plan under the oversight of the CRO and CFO, providing periodic updates to the ROC. Contract remediation efforts coordinated by the LIBOR transition team were complete as of June 2023. Upon the discontinuation of LIBOR, loans and leases that reference LIBOR were transitioned to a SOFR-based replacement rate as set forth in the related contract. For further details on the transition of notional derivatives, refer to the *Use of Derivatives to Manage Interest Rate Risk* section below.

Use of Derivatives to Manage Interest Rate Risk

An integral component of our interest rate risk management strategy is the use of derivative instruments to minimize significant fluctuations in earnings caused by changes in market interest rates. Examples of derivative instruments that we may use as part of our interest rate risk management strategy include interest rate swaps, caps and floors, collars, forward contracts, and forward starting interest rate swaps.

Table 16 shows all swap, swaption, swaption collar and floor positions that are utilized for purposes of managing our exposures to the variability of interest rates. The interest rates variability may impact either the fair value of the assets and liabilities or impact the cash flows attributable to net interest margin. These positions are used to protect the fair value of asset and liabilities by converting the contractual interest rate on a specified amount of assets and liabilities (i.e., notional amounts) to another interest rate index. The positions are also used to hedge the variability in cash flows attributable to the contractually specified interest rate by converting the variable rate index into a fixed rate. The volume, maturity and mix of derivative positions change frequently as we adjust our broader interest rate risk management objectives and the balance sheet positions to be hedged. For further information, including the notional amount and fair values of these derivatives, refer to Note 13 "Derivative Financial Instruments" of the Notes to Unaudited Consolidated Financial Statements.

In the second quarter of 2023, all cleared derivatives that referenced LIBOR transitioned from LIBOR to a SOFR-based replacement rate in accordance with the conventions established by the applicable clearinghouse. Upon the discontinuation of LIBOR, all over-the-counter derivatives that referenced LIBOR were transitioned to a SOFR-based replacement rate as set forth in the related contract. Those derivatives that did not have a clearly defined or practicable replacement benchmark rate set forth in the related contract used the LIBOR Act to replace LIBOR with a SOFR-based rate established by FRB rulemaking. For every LIBOR referenced instrument with a reset date after the LIBOR cessation date, counterparties received a LIBOR referenced instrument maturing on the first reset date after the LIBOR cessation date, and a forward starting SOFR instrument. The instruments received through the transition were economically similar to the instruments held prior to the transition.

The following table presents additional information about the interest rate swaps, swaptions, swaption collars, and floors used in Huntington's asset and liability management activities at September 30, 2023 and December 31, 2022.

Table 16 - Weighted-Average Maturity, Receive Rate and SOFR/LIBOR Reset Rate on Asset Liability Management Instruments

(dollar amounts in millions)	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Fixed Rate	Weighted-Average Reset Rate
At September 30, 2023					
Asset conversion swaps					
Securities (1):					
Pay Fixed - Receive SOFR	$ 10,791	3.34	$ 992	1.37 %	5.40 %
Pay Fixed - Receive SOFR - forward starting (2)	928	8.71	43	2.81	—
Loans:					
Receive Fixed - Pay SOFR - forward starting (3)	1,400	4.45	(53)	2.90	—
Receive Fixed - Pay SOFR	9,275	3.31	(486)	2.77	5.31
Liability conversion swaps					
Receive Fixed - Pay SOFR	7,568	3.65	(400)	2.95	4.82
Purchased swaption collars					
Purchased Interest Rate Swaption Collars (4)	2,000	0.41	(12)	3.20 / 4.50	—
Purchased floors					
Purchased Floor Spread - SOFR (4)	5,000	2.54	24	2.97 / 3.97	—
Basis swaps					
Pay SOFR- Receive Fed Fund (economic hedges) (5)	174	2.83	—	5.33	5.32
Pay Fed Fund - Receive SOFR (economic hedges) (5)	1	12.06	—	5.36	5.33
Purchased swaptions					
Pay Fixed - Receive SOFR Swaptions (economic hedges)	15,450	0.71	98	5.03	—
Total swap portfolio	$ 52,587		$ 206		
At December 31, 2022					
Asset conversion swaps					
Securities (1):					
Pay Fixed - Receive 1 month LIBOR	$ 8,024	3.89	$ 834	0.93 %	4.37 %
Pay Fixed - Receive SOFR	366	7.02	49	1.46	3.82
Pay Fixed - Receive 1 month LIBOR - forward starting (6)	91	7.31	12	1.62	—
Pay Fixed - Receive SOFR - forward starting (7)	1,926	6.17	85	2.17	—
Loans:					
Receive Fixed - Pay SOFR - forward starting (8)	2,950	4.91	(109)	2.64	—
Receive Fixed - Pay 1 month LIBOR	7,875	1.41	(390)	1.21	4.20
Receive Fixed - Pay SOFR	8,700	3.55	(351)	2.57	3.90
Liability conversion swaps					
Receive Fixed - Pay 1 month LIBOR	1,430	1.85	(60)	2.01	4.25
Receive Fixed - Pay SOFR	6,299	4.91	(201)	3.16	3.36
Purchased swaption collars					
Purchased Interest Rate Swaption Collars (4)	4,800	0.27	(6)	2.87 / 4.05	—
Basis swaps					
Pay SOFR- Receive Fed Fund (economic hedges) (5)	174	3.58	—	4.33	4.31
Pay Fed Fund - Receive SOFR (economic hedges) (5)	1	12.81	—	4.35	4.33
Total swap portfolio	$ 42,636		$ (137)		

(1) Amounts include interest rate swaps as fair value hedges of fixed-rate investment securities using the portfolio layer method.
(2) Forward starting swaps effective starting from April 2025 to October 2027.
(3) Forward starting swaps effective starting from July 2024 to January 2025.
(4) The weighted average fixed rates for floor spread and swaption collars are the weighted average strike rates for the upper and lower bounds of the instruments.
(5) Swaps have variable pay and variable receive resets. Weighted average fixed fate column represents pay rate reset.
(6) Forward starting swaps effective starting from January 2023 to February 2023.
(7) Forward starting swaps effective starting from January 2023 to October 2027.
(8) Forward starting swaps effective starting from January 2023 to July 2024.

As of September 30, 2023, we have $15.5 billion of interest rate swaptions with an average strike price of 5.03% to reduce the impact on capital from rising rates. These swaptions are economic hedges of interest rate risk attributable to our investment securities with the change in value of these instruments recorded in other noninterest income.

MSRs

(This section should be read in conjunction with Note 6 "Mortgage Loan Sales and Servicing Rights" of Notes to the Unaudited Consolidated Financial Statements.)

At September 30, 2023, we had a total of $547 million of capitalized MSRs representing the right to service $33.0 billion in mortgage loans.

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 and declines in credit quality. Prepayments usually increase when mortgage interest rates decline and decrease when mortgage interest rates rise. We also employ hedging 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 changes in the MSR value net of hedge-related trading activity in the mortgage banking income category of noninterest income.

MSR assets are included in servicing rights and other intangible assets in the Unaudited 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 subsidiaries, foreign exchange positions, derivative instruments, and equity investments. 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.

Liquidity Risk

(This section should be read in conjunction with the "Liquidity Risk" section appearing in Huntington's 2022 Annual Report on Form 10-K for our on-going liquidity risk management processes.)

Liquidity risk is the possibility of us being unable to meet current and future financial obligations in a timely manner. The goal of liquidity management is to ensure adequate, stable, reliable, and cost-effective sources of funds to satisfy changes in loan and lease demand, unexpected levels of deposit withdrawals, investment opportunities, and other contractual obligations. We consider core earnings, strong capital ratios, and credit quality essential for maintaining high credit ratings, which allows us cost-effective access to market-based liquidity. We mitigate liquidity risk by maintaining liquid assets in the form of cash and cash equivalents and securities. In addition, we maintain a large, stable core deposit base and a diversified base of readily available wholesale funding sources, including secured funding sources from the FHLB and Federal Reserve through pledged borrowing capacity, issuance through dealers in the capital markets, and access to certificates of deposit issued through brokers. Liquidity risk is reviewed and managed continuously for the Bank and the parent company, as well as its subsidiaries. At September 30, 2023, management believes current sources of liquidity are sufficient to meet Huntington's on and off-balance sheet obligations.

We maintain a contingency funding plan that provides for liquidity stress testing, which assesses the potential erosion of funds in the event of an institution-specific event or systemic financial market crisis. Examples of institution specific events could include a downgrade in our public credit rating by a rating agency, a large charge to earnings, declines in profitability or other financial measures, declines in liquidity sources including reductions in deposit balances or access to contingent funding sources, or a significant merger or acquisition. Examples of systemic events unrelated to us that could have an effect on our access to liquidity would be terrorism or war, natural disasters, political events, seizure of a major financial institution, or the default or bankruptcy of a major, corporation, mutual fund, or hedge fund. Similarly, market speculation or rumors about us, or the banking industry in general, may adversely affect the cost and availability of normal funding sources. The contingency funding plan outlines the process for addressing a liquidity crisis and provides for an evaluation of funding sources under various market conditions. It also assigns specific roles and responsibilities and communication protocols for effectively managing liquidity through a problem period.

Our largest source of liquidity on a consolidated basis is core deposits, which provide stable and lower-cost funding. Core deposits were $144.2 billion at September 30, 2023 which comprised 97% of total deposits, compared to $142.1 billion, and 96% of total deposits, at December 31, 2022. The $2.1 billion increase in core deposits, compared to December 31, 2022, was primarily driven by an increase in consumer core deposits, partially offset by a decrease in commercial core deposits driven by shifts to off-balance sheet liquidity solutions we provide for our customers. Our core deposits come from a base of primary bank customer relationships, and we continue to focus on acquiring and deepening those relationships resulting in our granular and diversified deposit base.

The following table reflects deposit composition detail.

Table 17 - Deposit Composition

(dollar amounts in millions)	At September 30, 2023		At December 31, 2022	
Total deposits by type:				
Demand deposits—noninterest-bearing	$ 31,666	21 %	$ 38,242	26 %
Demand deposits—interest-bearing	39,822	27	43,136	29
Money market deposits	42,996	29	36,082	24
Savings and other domestic deposits	17,350	12	20,357	14
Core certificates of deposit (1)	12,372	8	4,324	3
Total core deposits:	144,206	97	142,141	96
Other domestic deposits of $250,000 or more	446	—	220	—
Negotiable CDs, brokered and other deposits	4,215	3	5,553	4
Total deposits	$ 148,867	100 %	$ 147,914	100 %
Total core deposits:				
Commercial	$ 61,379	43 %	$ 64,107	45 %
Consumer	82,827	57	78,034	55
Total core deposits	$ 144,206	100 %	$ 142,141	100 %
Total deposits (insured/uninsured):				
Insured deposits	$ 104,183	70 %	$ 100,631	68 %
Uninsured deposits (2)	44,684	30	47,283	32
Total deposits	$ 148,867	100 %	$ 147,914	100 %

(1) Includes consumer certificates of deposit of $250,000 or more.
(2) Represents consolidated Huntington uninsured deposits, determined by adjusting the amounts reported in the Bank Call Report (FFIEC 031) by inter-company deposits, which are not customer deposits and are therefore eliminated through consolidation. As of September 30, 2023, the Bank Call Report uninsured deposit balance was $49.1 billion, which includes $4.5 billion of inter-company deposits. As of December 31, 2022, the Bank Call Report uninsured deposit balance was $84.6 billion, which includes $37.3 billion of inter-company deposits.

Cash and cash equivalents were $11.4 billion and $6.7 billion at September 30, 2023 and December 31, 2022, respectively. The $4.7 billion increase in cash and cash equivalents is primarily due to an increase in interest-bearing deposits at the Federal Reserve Bank to support short-term liquidity.

Total investment securities were $38.1 billion at September 30, 2023, compared to $40.5 billion at December 31, 2022. The $2.4 billion decrease in securities compared to December 31, 2022, was primarily due to runoff during the period. At September 30, 2023, the duration of the investment securities portfolio was 4.5 years, or 3.6 years net of hedging. Securities are pledged to secure borrowing capacity with the FHLB and the Federal Reserve, discussed further in the *Bank Liquidity and Sources of Funding* section below. At September 30, 2023, investment securities with market value of $5.2 billion were unpledged.

Sources of wholesale funding include other domestic deposits of $250,000 or more, negotiable CDs, brokered and other deposits, short-term borrowings, and long-term debt. Our wholesale funding totaled $18.2 billion at September 30, 2023, compared to $17.5 billion at December 31, 2022. The increase from year-end is primarily due to increases in long-term FHLB borrowings and senior notes, partially offset by decreases in negotiable CDs, brokered and other deposits, and short-term FHLB borrowings.

Bank Liquidity and Sources of Funding

Our primary sources of funding for the Bank are consumer and commercial core deposits. At September 30, 2023, these core deposits funded 77% of total assets (119% of total loans and leases). To the extent we are unable to obtain sufficient liquidity through core deposits and cash and cash equivalents, we may meet our liquidity needs through sources of wholesale funding and asset securitization or sale.

The Bank maintains borrowing capacity at both the FHLB and the Federal Reserve secured by pledged loans and securities. The Bank does not consider borrowing capacity at the Federal Reserve a primary source of funding, however, it could be used as a potential source of liquidity in a stressed environment or during a market disruption. At September 30, 2023, the Bank’s available contingent borrowing capacity at the FHLB and Federal Reserve totaled $79.9 billion, compared to $53.5 billion at December 31, 2022. The increase reflects our optimization of contingent borrowing capacity through the pledge of incremental assets. The amount of available contingent borrowing capacity may fluctuate based on the level of borrowings outstanding and level of assets pledged.

Following the first quarter 2023 bank failures, the Federal Reserve Bank established the Bank Term Funding Program as an additional source of available liquidity to support depository institutions through pledging qualifying assets as collateral. The Bank has taken steps to support readiness but has not participated through September 30, 2023.

At September 30, 2023, we believe the Bank has sufficient liquidity and capital resources to meet its cash flow obligations over the next 12 months and 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 securities.

The parent company had $4.1 billion and $3.5 billion at September 30, 2023 and December 31, 2022 in cash and cash equivalents, respectively.

On October 18, 2023, our Board of Directors declared a quarterly common stock cash dividend of $0.155 per common share. The dividend is payable on January 2, 2024, to shareholders of record on December 18, 2023. Based on the current quarterly dividend of $0.155 per common share, cash demands required for common stock dividends are estimated to be approximately $224 million per quarter. Additionally, on October 18, 2023, our Board of Directors declared a quarterly Series B, Series E, Series F, Series G, Series H, and Series J Preferred Stock dividend payable on January 16, 2024 to shareholders of record on January 1, 2024. On September 12, 2023, our Board of Directors declared a quarterly dividend for the Series I Preferred Stock payable on December 1, 2023 to shareholders of record on November 15, 2023. Total cash demands required for preferred stock dividends are expected to be approximately $38 million per quarter.

During the first nine months of 2023, the Bank paid preferred and common dividends to the parent company of $34 million and $1.4 billion, respectively. To meet any additional liquidity needs, the parent company may issue debt or equity securities.

At September 30, 2023, we believe the Company has sufficient liquidity and capital resources to meet its cash flow obligations over the next 12 months and 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, caps and floors, swaption collars, financial guarantees contained in standby letters-of-credit issued by the Bank, and commitments by the Bank to sell mortgage loans.

Operational Risk

Operational risk is the risk of loss due to human error, third-party performance failures, 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, failed business contingency plans and security risks. We continuously strive to strengthen our system of internal controls to ensure compliance with significant contracts, agreements, laws, rules, and regulations, and to improve the oversight of our operational risk.

We actively monitor cyberattacks such as attempts related to online deception and loss of sensitive customer data. We evaluate internal systems, processes, and controls to mitigate loss from cyberattacks and, to date, have not experienced any material losses. Cybersecurity threats have increased, primarily through phishing campaigns. We are actively monitoring our email gateways for malicious phishing email campaigns. We have also increased our cybersecurity and fraud monitoring activities through the implementation of specific monitoring of remote connections by geography and volume of connections to detect anomalous remote logins, since a significant portion of our workforce has the option to work remotely.

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 its own goals. To this end we employ a set of defense in-depth strategies, which include efforts to make us 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 govern operational risks, we have an Operational Risk Committee, a Legal, Regulatory, and Compliance Committee, a Funds Movement Committee, and a Third Party Risk Management 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 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 remediation recommendations to the Risk Management Committee. Potential concerns may be escalated to our ROC and our Audit Committee, as appropriate. Significant findings or issues are escalated by the Third Party Risk Management Committee to the Technology Committee of the Board of Directors, as appropriate.

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

Compliance Risk

Financial institutions are subject to many laws, rules, and regulations at both the federal and state levels. 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. 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 hold ourselves to a high standard for adherence to compliance management and seek to continuously enhance our performance.

Capital

We consider disciplined capital management as a key objective. 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 our overall capital adequacy. We believe our current levels of both regulatory capital and shareholders' equity are adequate.

The following table presents certain regulatory capital data at both the consolidated and Bank levels for each of the periods presented:

Table 18 - Regulatory Capital Data (1)

(dollar amounts in millions)		At September 30, 2023	At December 31, 2022
Total risk-weighted assets	Consolidated	$ 140,688	$ 141,940
	Bank	140,738	141,571
CET1 risk-based capital	Consolidated	14,211	13,290
	Bank	14,574	14,133
Tier 1 risk-based capital	Consolidated	16,705	15,467
	Bank	15,785	15,334
Tier 2 risk-based capital	Consolidated	3,141	3,106
	Bank	2,350	2,313
Total risk-based capital	Consolidated	19,846	18,573
	Bank	18,135	17,647
CET1 risk-based capital ratio	Consolidated	10.10 %	9.36 %
	Bank	10.36	9.98
Tier 1 risk-based capital ratio	Consolidated	11.87	10.90
	Bank	11.22	10.83
Total risk-based capital ratio	Consolidated	14.11	13.09
	Bank	12.89	12.47
Tier 1 leverage ratio	Consolidated	9.43	8.60
	Bank	8.53	8.54

(1) Huntington elected to temporarily delay certain effects of CECL on regulatory capital for two years, followed by a three-year transition period which began January 1, 2022 pursuant to a rule that allows bank holding companies and banks to delay for two years 100% of the day-one impact of adopting CECL and 25% of the cumulative change in the reported allowance for credit losses since adopting CECL. As of September 30, 2023 and December 31, 2022, we have phased in 50% and 25%, respectively, of the cumulative CECL deferral with the remaining impact to be recognized over the remainder of the three-year transition period.

At September 30, 2023, at both the consolidated and Bank level, we maintained Basel III capital ratios in excess of the well-capitalized standards established by the Federal Reserve. The increase in the consolidated CET1 risk-based capital ratio, compared to the prior year end, was primarily driven by current period earnings and a decline in risk-weighted assets, partially offset by dividends and the CECL transitional amount.

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 appetite 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 $18.5 billion at September 30, 2023, an increase of $752 million, or 4%, when compared with December 31, 2022. The increase was primarily driven by earnings, net of dividends, and the issuance of perpetual preferred stock, partially offset by accumulated other comprehensive loss driven by changes in interest rates.

Huntington is authorized to make capital distributions that are consistent with the requirements in the Federal Reserve's capital rule, inclusive of the SCB requirement. Huntington's SCB requirement associated with its 2022 Capital Plan is 3.3%, effective for the period of October 1, 2022 through September 30, 2023. On April 5, 2023, Huntington submitted its 2023 Capital Plan to the Federal Reserve for supervisory review. By notice dated June 28, 2023, the Federal Reserve informed Huntington that its indicative SCB requirement associated with its 2023 Capital Plan is 3.2%, effective for the period of October 1, 2023 through September 30, 2024. Although we were not subject to the Federal Reserve's 2023 supervisory stress test, our indicative SCB was updated for 2023 based on the dividend add-on component of the SCB.

Share Repurchases

From time to time, our 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.

On January 18, 2023, our Board authorized the repurchase of up to $1.0 billion of common shares within the eight quarter period ending December 31, 2024, subject to the Federal Reserve's capital regulations. Purchases of common stock under the authorization may include open market purchases, privately negotiated transactions, and accelerated share repurchase programs. During the nine months ended September 30, 2023, we repurchased no shares of common stock under the current repurchase authorization. As part of the 2023 capital plan and our current expectation that organic capital will be used for funding loan and lease growth and proposed changes to regulatory capital requirements, we do not expect to utilize the share repurchase program through 2024. However, we may at our discretion resume share repurchases at any time while considering factors including, but not limited to, capital requirements and market conditions.

BUSINESS SEGMENT DISCUSSION

Overview

To align with our strategic priorities, during the second quarter 2023, we completed an organizational realignment and now report on two business segments: Consumer & Regional Banking and Commercial Banking. The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense. Huntington's business segments are based on our internally-aligned segment leadership structure, which is how management monitors results and assesses performance. The organizational realignment primarily involved consolidating our previously reported Consumer and Business Banking, Vehicle Finance and RBHPCG, into one new business segment called Consumer & Regional Banking. Prior period results have been adjusted to conform to the new segment presentation.

Following is a description of our business segments and the Treasury/Other function:

Consumer & Regional Banking - The Consumer & Regional Banking segment provides a wide array of financial products and services to consumer and business customers including, but not limited to, deposits, lending, payments, mortgage banking, dealer financing, investment management, trust, brokerage, insurance, and other financial products and services. We serve our customers through our network of channels, including branches, online banking, mobile banking, telephone banking, and ATMs.

We have a "Fair Play" banking philosophy: providing differentiated products and services, built on a strong foundation of customer friendly products and advocacy. Our brand resonates with consumers and businesses, helping us acquire new customers and deepen relationships with current customers. Our Fair Play banking suite of products includes 24-Hour Grace®, Perks and Asterisk-Free Checking®, Money Scout℠, $50 Safety Zone℠, Standby Cash®, Early Pay, Instant Access, The Hub, and Huntington Heads Up®.

Consumer & Regional Banking offers a comprehensive set of digitally powered consumer and business financial solutions to Consumer Lending, Regional Banking, Branch Banking, and Wealth Management customers.

Consumer Lending provides direct and indirect consumer loans, as well as dealer finance loans and deposits. The direct consumer loan products, including mortgage and home equity, are originated through branch, online, and third-party channels. Indirect consumer loans are originated through deep relationships with dealerships to finance consumer purchases of automobiles, recreational vehicles, marine craft, and powersports. We also provide dealer finance loans (including floorplan loans), deposits, and other financial products to these dealerships and their owners.

Regional Banking, along with our business and specialty banking offerings, is a dynamic part of our business and we are committed to being the bank of choice for businesses in our markets. Regional Banking is defined as serving small to mid-sized businesses. Beyond conventional lending solutions, Huntington offers access to capital markets, practice finance and SBA lending capabilities. We are the #1 SBA lender in the nation in units as of federal fiscal year end September 30, 2022. In addition, our payments business provides credit and debit cards and treasury management services to our customers. Huntington continues to develop products and services that are designed specifically to meet the needs of business customers and looks for ways to help companies find solutions to their financing needs.

Branch Banking provides a full range of financial products and services to consumer and business customers through our extensive branch and ATM network. The branch network offers full-service branches that are primarily located in Ohio, Colorado, Illinois, Indiana, Kentucky, Michigan, Minnesota, Pennsylvania, West Virginia, and Wisconsin.

Wealth Management has a comprehensive product offering, including private banking, wealth management and legacy planning through investment and portfolio management, fiduciary administration and trust services, institutional custody services, and full-service retail brokerage investments.

Commercial Banking - The Commercial Banking segment provides expertise through bankers, capabilities, and digital channels, and includes a comprehensive set of product offerings. Our target clients span from mid-market to large corporates across a national footprint. The Commercial Banking segment leverages internal partnerships for wealth management, trust, insurance, payments, and treasury management capabilities. In particular, our payments capabilities continue to expand as we develop unique solutions for our diverse client segments, including Huntington ChoicePay. This segment includes customers in Middle Market Banking, Corporate, Specialty, and Government Banking, Asset Finance, Commercial Real Estate Banking, and Capital Markets.

Middle Market Banking serves the banking needs of mid-sized clients who reside in our geographic footprint. We leverage our local presence to serve our clients, extending our full suite of banking products including lending, liquidity, treasury management and other payment services, and capital markets.

Corporate, Specialty, and Government Banking serves medium to large enterprises. We focus on specific industry verticals such as government and non-profits, healthcare, technology and telecommunications, franchises, financial sponsors, and global services. Our expertise in these markets allows us to uniquely serve our clients' sophisticated banking, capital markets, and payments requirements.

Asset Finance serves our clients' capital expenditure and working capital needs through equipment financing, asset-based lending, distribution finance, structured lending, and municipal financing solutions. Our relationship with large manufacturers is bolstered by a strong commitment to their dealers and financing needs.

Commercial Real Estate Banking provides banking solutions to commercial real estate developers and institutional sponsors across the nation. Within this group, Huntington Community Development improves the quality of life for our communities and the residents of low-to-moderate income neighborhoods by developing and delivering innovative products and services to support affordable housing and neighborhood stabilization, including tax credit investments.

Capital Markets delivers corporate risk management, institutional sales and trading, debt and equity issuance, and additional advisory services.

Treasury / Other - The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

Business segment results are determined based upon our management practices, 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 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 the business segments from Treasury / Other. We utilize a full-allocation methodology, where all Treasury / Other expenses, except reported acquisition-related expenses, if any, and a small amount of other residual unallocated expenses, are allocated to the business segments.

Funds Transfer Pricing (FTP)

We use an active and centralized FTP methodology to attribute appropriate net interest income to the business segments. The intent of the FTP methodology is to transfer interest rate risk from the business segments by providing modeled 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

Net income by business segment for the nine-month periods ending September 30, 2023 and September 30, 2022 is presented in the following table:

Table 19 - Net Income by Business Segment

	Nine months ended September 30,	
(dollar amounts in millions)	2023	2022
Consumer & Regional Banking	$ 1,617	$ 670
Commercial Banking	1,002	803
Treasury / Other	(911)	120
Net income attributable to Huntington	$ 1,708	$ 1,593

Consumer & Regional Banking

Table 20 - Key Performance Indicators for Consumer & Regional Banking

	Nine months ended September 30,		Change	
(dollar amounts in millions)	2023	2022	Amount	Percent
Net interest income	$ 3,569	$ 2,237	$ 1,332	60 %
Provision for credit losses	192	189	3	2
Noninterest income	953	979	(26)	(3)
Noninterest expense	2,283	2,179	104	5
Provision for income taxes	430	178	252	142 %
Net income attributable to Huntington	$ 1,617	$ 670	$ 947	141 %
Number of employees (average full-time equivalent)	11,673	12,002	(329)	(3) %
Total average assets	$ 70,791	$ 68,967	$ 1,824	3
Total average loans/leases	64,914	62,558	2,356	4
Total average deposits	105,019	106,025	(1,006)	(1)
Net interest margin	4.47 %	2.77 %	1.70 %	61
NCOs	$ 106	$ 85	$ 21	25
NCOs as a % of average loans and leases	0.22 %	0.18 %	0.04 %	22
Total assets under management (in billions)—eop	$ 22.3	$ 20.2	$ 2.1	10
Total trust assets (in billions)—eop	163.4	138.2	25.2	18

Consumer & Regional Banking reported net income of $1.6 billion in the nine-month period of 2023, an increase of $947 million, or 141%, compared to the year-ago period. Segment net interest income increased $1.3 billion, or 60%, primarily due to a 170 basis point increase in NIM driven by the higher rate environment and a $2.4 billion, or 4%, increase in average loans and leases. Noninterest income decreased $26 million, or 3%, primarily due to decreases in service charges primarily reflecting the impact from program changes, lower mortgage banking income primarily reflecting lower salable volume, and in gain on sale of loans resulting from the strategic decision to retain the guaranteed portion of SBA loans at origination, partially offset by a $57 million gain on the sale of our RPS business and an increase in card and payment processing income. Noninterest expense increased $104 million, or 5%, primarily due to gains from branch sales in the nine-month period of 2022, in addition to increases in personnel expense, deposit and other insurance expense, and overhead allocations.

Commercial Banking

Table 21 - Key Performance Indicators for Commercial Banking

	Nine months ended September 30,		Change	
(dollar amounts in millions)	2023	2022	Amount	Percent
Net interest income	$ 1,722	$ 1,327	$ 395	30 %
Provision for credit losses	84	9	75	NM
Noninterest income	479	470	9	2
Noninterest expense	830	763	67	9
Provision for income taxes	270	215	55	26
Income attributable to non-controlling interest	15	7	8	114 %
Net income attributable to Huntington	$ 1,002	$ 803	$ 199	25 %
Number of employees (average full-time equivalent)	2,258	2,079	179	9 %
Total average assets	$ 64,184	$ 58,699	$ 5,485	9
Total average loans/leases	55,719	51,185	4,534	9
Total average deposits	36,242	34,269	1,973	6
Net interest margin	3.95 %	3.29 %	0.66 %	20
NCOs	$ 73	$ (13)	$ 86	NM
NCOs as a % of average loans and leases	0.17 %	(0.03)%	0.20 %	NM

Commercial Banking reported net income of $1.0 billion in the nine-month period of 2023, compared to $803 million in the year-ago period. Segment net interest income increased $395 million, or 30%, primarily due to a 66 basis point increase in NIM, driven by the higher rate environment resulting in an increase in spreads and an increase in average loans and leases, partially offset by an increase in average deposits. The provision for credit losses increased $75 million, due to a combination of coverage level builds in the commercial real estate portfolio and C&I loan growth during 2023. Noninterest income increased $9 million, or 2%, primarily due to increases in capital markets fees, primarily due to higher advisory fees supported by the impact of the Capstone Partners acquisition, partially offset by lower interest rate derivative and syndication fees, and in trust and investment management services. Partially offsetting these increases was a decrease in service charges on deposit accounts. Noninterest expense increased $67 million, or 9%, primarily due to an increase in personnel costs reflecting the impact of the Capstone Partners acquisition and an increase in average full-time equivalent employees, partially offset by lower lease financing equipment depreciation, equipment expense, and outside data and other processing services.

Treasury / Other

The Treasury / Other function includes revenue and expense related to assets, liabilities, derivatives, and equity not directly assigned or allocated to one of the two business segments. Assets include investment securities and bank owned life insurance.

Net interest income includes the impact of administering our investment securities portfolios, the net impact of derivatives used to hedge interest rate sensitivity as well as the financial impact associated with our FTP methodology, as described above. Noninterest income includes miscellaneous fee income not allocated to other business segments, such as bank owned life insurance income and securities and trading asset gains or losses. Noninterest expense includes certain corporate administrative, acquisition-related expenses, if any, and other miscellaneous expenses not allocated to other business segments. The provision for income taxes for the business segments is calculated at a statutory 21% tax rate, although our overall effective tax rate is lower.

Treasury / Other reported a net loss of $911 million in the nine-month period of 2023, a decrease of $1.0 billion, compared to the year-ago period, driven by a decrease in net interest income, partially offset by a decrease in provision for income tax. Treasury / Other net interest income decreased $1.4 billion, primarily due to an increase in FTP credit rates on deposits allocated to the business segments.

ADDITIONAL DISCLOSURES

Forward-Looking Statements

This report, including MD&A, contains certain forward-looking statements, including, but not limited to, certain plans, expectations, goals, projections, and statements, which are not historical facts and 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: changes in general economic, political, or industry conditions; deterioration in business and economic conditions, including persistent inflation, supply chain issues or labor shortages, instability in global economic conditions and geopolitical matters, as well as volatility in financial markets; the impact of pandemics, including the COVID-19 pandemic and related variants and mutations, and their impact on the global economy and financial market conditions and our business, results of operations, and financial condition; the impacts related to or resulting from recent bank failures and other volatility, including potential increased regulatory requirements and costs, such as FDIC special assessments, long-term debt requirements and heightened capital requirements, and potential impacts to macroeconomic conditions, which could affect the ability of depository institutions, including us, to attract and retain depositors and to borrow or raise capital; unexpected outflows of uninsured deposits which may require us to sell investment securities at a loss; rising interest rates which could negatively impact the value of our portfolio of investment securities; the loss of value of our investment portfolio which could negatively impact market perceptions of us and could lead to deposit withdrawals; the effects of social media on market perceptions of us and banks generally; cybersecurity risks; uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Federal Reserve; volatility and disruptions in global capital and credit markets; movements in interest rates; transition away from LIBOR; competitive pressures on product pricing and services; success, impact, and timing of our business strategies, including market acceptance of any new products or services including those implementing our “Fair Play” banking philosophy; 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 other factors that may affect the future results of Huntington.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. Huntington does not assume any 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-GAAP Financial Measures

This document contains GAAP financial measures and non-GAAP financial measures where management believes it to be helpful in understanding our results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found herein.

Fully-Taxable Equivalent Basis

Interest income, yields, and ratios on an FTE basis are considered non-GAAP financial measures. Management believes net interest income on an FTE basis provides an insightful picture of the interest margin for comparison purposes. The FTE basis also allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The FTE basis assumes a federal statutory tax rate of 21 percent. We encourage readers to consider the Unaudited 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.

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,
- Tangible equity to tangible assets, and
- Tangible common equity to risk-weighted assets using 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 our capitalization to other financial services companies. These ratios differ from capital ratios defined by banking regulators principally in that the numerator excludes goodwill and other intangible assets, the nature and extent of which varies among different financial services companies. These ratios are not defined in 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, we encourage readers to consider the Unaudited 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.

Critical Accounting Policies and Use of Significant Estimates

Our Consolidated Financial Statements are prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires us to establish accounting policies and make estimates that affect amounts reported in our Consolidated Financial Statements. Note 1 of the Notes to Consolidated Financial Statements included in our 2022 Annual Report on Form 10-K, as supplemented by this report including this MD&A, describes the significant accounting policies we used in our Consolidated Financial Statements.

An accounting estimate requires assumptions and judgments about uncertain matters that could have a material effect on the Consolidated Financial Statements. Estimates are made under facts and circumstances at a point in time, and changes in those facts and circumstances could produce results substantially different from those estimates. Our critical accounting policies include the allowance for credit losses, fair value measurement, and goodwill. The policies, assumptions, and judgments related to fair value measurement and goodwill are described in the Critical Accounting Policies and Use of Significant Estimates section within the MD&A of Huntington's 2022 Annual Report on Form 10-K. The following details the policies, assumption, and judgments related to the allowance for credit losses.

Allowance for Credit Losses

Our ACL at September 30, 2023 represents our current estimate of the lifetime credit losses expected from our loan and lease portfolio and our unfunded lending commitments.

One of the most significant judgments influencing the ACL estimate is the macroeconomic forecasts. Key external economic parameters that directly impact our loss modeling framework include forecasted unemployment rates and GDP. Changes in the economic forecasts could significantly affect the estimated credit losses, which could potentially lead to materially different allowance levels from one reporting period to the next.

Given the dynamic relationship between macroeconomic variables within our modeling framework, it is difficult to estimate the impact of a change in any one individual variable on the allowance. As a result, management uses a probability-weighted approach that incorporates a baseline, an adverse and a more favorable economic scenario when formulating the quantitative estimate.

However, to illustrate a hypothetical sensitivity analysis, management calculated a quantitative allowance using a 100% weighting applied to an adverse scenario. This scenario contemplates persisting inflation concerns at the Federal Reserve causing the federal funds rate to remain elevated through fourth quarter of 2023, ongoing banking industry uncertainty and the tightening of lending standards. Increased geopolitical tensions between China and Taiwan impact the supply chain for semiconductors. The threat of a wider conflict causes consumer confidence to fall. Additionally, the Russian invasion lasts longer than in the baseline scenario further impacting the supply chain. The combination of elevated inflation, banking industry uncertainty, increasing supply chain shortages, political tensions and the federal funds rate remaining elevated cause the stock market to fall. The economy falls into a recession in the fourth quarter of 2023. In response to the recession, the Federal Reserve starts lowering the federal funds rate in the first quarter of 2024 with significant rate reductions by the end of 2024. Under this scenario, as an example, the unemployment rate increases from baseline levels and remains elevated for a prolonged period, the rate is estimated at 5.5% and 7.8% at the end of 2023 and 2024, respectively. This forecast reflects unemployment rates that are approximately 1.8% and 3.6% higher than baseline scenario projections of 3.7% and 4.2%, respectively, for the same time periods.

To demonstrate the sensitivity to key economic parameters used in the calculation of our ACL at September 30, 2023, management calculated the difference between our quantitative ACL and this 100% adverse scenario. Excluding consideration of qualitative adjustments, this sensitivity analysis would result in a hypothetical increase in our ACL of approximately $1.1 billion at September 30, 2023. This hypothetical increase is reflective of the sensitivity of the rate of change in the unemployment variable on our models.

The resulting difference is not intended to represent an expected increase in allowance levels for a number of reasons including the following:

- Management uses a weighted approach applied to multiple economic scenarios for its allowance estimation process;
- The highly uncertain economic environment;
- The difficulty in predicting the inter-relationships between the economic parameters used in the various economic scenarios; and
- The sensitivity estimate does not account for any general reserve components and associated risk profile adjustments incorporated by management as part of its overall allowance framework.

We regularly review our ACL for appropriateness by performing on-going evaluations of the loan and lease portfolio. In doing so, we consider factors such 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 also evaluate the impact of changes in key economic parameters 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. There is no certainty that our ACL will be appropriate over time to cover losses in our portfolio as economic and market conditions may ultimately differ from our reasonable and supportable forecast. Additionally, events adversely affecting specific customers, industries, or our markets such as geopolitical instability or risks of inflation including a near-term recession, could severely impact our current expectations. If the credit quality of our customer base materially deteriorates or the risk profile of a market, industry, or group of customers changes materially, our net income and capital could be materially adversely affected which, in turn could have a material adverse effect on our financial condition and results of operations. The extent to which the geopolitical instability and risks of inflation will continue to negatively impact our businesses, financial condition, liquidity, and results will depend on future developments, which are highly uncertain and cannot be forecasted with precision at this time.

Item 1: Financial Statements
Huntington Bancshares Incorporated
Consolidated Balance Sheets
(Unaudited)

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
Assets		
Cash and due from banks	$ 1,602	$ 1,796
Interest-bearing deposits at Federal Reserve Bank	9,833	4,908
Interest-bearing deposits in banks	258	214
Trading account securities	121	19
Available-for-sale securities	21,863	23,423
Held-to-maturity securities	16,148	17,052
Other securities	718	854
Loans held for sale (includes $601 and $520 respectively, measured at fair value)(1)	603	529
Loans and leases (includes $175 and $185 respectively, measured at fair value)(1)	120,853	119,523
Allowance for loan and lease losses	(2,208)	(2,121)
Net loans and leases	118,645	117,402
Bank owned life insurance	2,757	2,753
Accrued income and other receivables	1,496	1,573
Premises and equipment	1,096	1,156
Goodwill	5,561	5,571
Servicing rights and other intangible assets	718	712
Other assets	5,231	4,944
Total assets	$ 186,650	$ 182,906
Liabilities and shareholders' equity		
Liabilities		
Deposits:		
Demand deposits—noninterest-bearing	$ 31,666	$ 38,242
Interest-bearing	117,201	109,672
Total deposits	148,867	147,914
Short-term borrowings	681	2,027
Long-term debt	12,822	9,686
Other liabilities	5,750	5,510
Total liabilities	168,120	165,137
Commitments and Contingent Liabilities (Note 15)		
Shareholders' Equity		
Preferred stock	2,484	2,167
Common stock	15	14
Capital surplus	15,363	15,309
Less treasury shares, at cost	(91)	(80)
Accumulated other comprehensive income (loss)	(3,622)	(3,098)
Retained earnings	4,334	3,419
Total Huntington shareholders' equity	18,483	17,731
Non-controlling interest	47	38
Total equity	18,530	17,769
Total liabilities and equity	$ 186,650	$ 182,906
Common shares authorized (par value of $0.01)	2,250,000,000	2,250,000,000
Common shares outstanding	1,448,075,093	1,443,068,036
Treasury shares outstanding	7,391,874	6,322,052
Preferred stock, authorized shares	6,617,808	6,617,808
Preferred shares outstanding	882,500	557,500

(1) Amounts represent loans for which Huntington has elected the fair value option. See Note 12 'Fair Values of Assets and Liabilities".

See Notes to Unaudited Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Income
(Unaudited)

(dollar amounts in millions, except per share data, share count in thousands)	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Interest and fee income:				
Loans and leases	$ 1,764	$ 1,268	$ 5,022	$ 3,350
Available-for-sale securities				
Taxable	259	165	743	378
Tax-exempt	29	20	78	52
Held-to-maturity securities—taxable	99	95	303	251
Other securities—taxable	19	7	40	18
Other	143	34	380	66
Total interest income	2,313	1,589	6,566	4,115
Interest expense:				
Deposits	713	92	1,689	128
Short-term borrowings	17	22	151	36
Long-term debt	215	71	603	140
Total interest expense	945	185	2,443	304
Net interest income	1,368	1,404	4,123	3,811
Provision for credit losses	99	106	276	198
Net interest income after provision for credit losses	1,269	1,298	3,847	3,613
Service charges on deposit accounts	97	93	267	295
Card and payment processing income	103	96	298	278
Capital markets fees	49	73	165	169
Trust and investment management services	62	60	192	188
Mortgage banking income	27	26	86	119
Leasing revenue	32	29	83	91
Insurance income	31	28	95	86
Gain on sale of loans	2	15	13	55
Bank owned life insurance income	18	13	50	41
Net (losses) gains on sales of securities	—	—	(4)	—
Other noninterest income	88	65	271	160
Total noninterest income	509	498	1,516	1,482
Personnel costs	622	614	1,884	1,771
Outside data processing and other services	149	145	448	463
Equipment	65	60	193	202
Net occupancy	67	63	181	185
Marketing	29	24	86	69
Professional services	27	18	64	56
Deposit and other insurance expense	25	15	68	53
Amortization of intangibles	12	13	38	40
Lease financing equipment depreciation	6	11	22	36
Other noninterest expense	88	90	242	249
Total noninterest expense	1,090	1,053	3,226	3,124
Income before income taxes	688	743	2,137	1,971
Provision for income taxes	136	146	414	371
Income after income taxes	552	597	1,723	1,600
Income attributable to non-controlling interest	5	3	15	7
Net income attributable to Huntington	547	594	1,708	1,593
Dividends on preferred shares	37	29	106	85
Net income applicable to common shares	$ 510	$ 565	$ 1,602	$ 1,508
Average common shares—basic	1,447,993	1,442,591	1,445,878	1,440,740
Average common shares—diluted	1,467,611	1,465,083	1,467,537	1,464,234
Per common share:				
Net income—basic	$ 0.35	$ 0.39	$ 1.11	$ 1.05
Net income—diluted	0.35	0.39	1.09	1.03

See Notes to Unaudited Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Comprehensive Income
(Unaudited)

(dollar amounts in millions)	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net income attributable to Huntington	$ 547	$ 594	$ 1,708	$ 1,593
Other comprehensive income (loss), net of tax:				
Net unrealized gains (losses) on available-for-sale securities	(633)	(971)	(529)	(2,970)
Net impact of fair value hedges on available-for-sale securities	67	250	34	705
Net change related to cash flow hedges on loans	(50)	(456)	(30)	(782)
Translation adjustments, net of hedges	(1)	(4)	—	(6)
Change in accumulated unrealized gains for pension and other post-retirement obligations	1	3	1	6
Other comprehensive income (loss), net of tax	(616)	(1,178)	(524)	(3,047)
Comprehensive income (loss) attributable to Huntington	(69)	(584)	1,184	(1,454)
Comprehensive income attributed to non-controlling interest	5	3	15	7
Comprehensive income (loss)	$ (64)	$ (581)	$ 1,199	$ (1,447)

See Notes to Unaudited Consolidated Financial Statements

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

(dollar amounts in millions, share amounts in thousands)	Preferred Stock	Common Stock		Capital Surplus	Treasury Stock		AOCI	Retained Earnings	Huntington Shareholders’ Equity	Non-controlling Interest	Total Equity
	Amount	Shares	Amount		Shares	Amount					
Three months ended September 30, 2023											
Balance, beginning of period	$ 2,484	1,455,312	$ 15	$ 15,335	(7,430)	$ (92)	$ (3,006)	$ 4,052	$ 18,788	$ 50	$ 18,838
Net income								547	547	5	552
Other comprehensive income (loss), net of tax							(616)		(616)		(616)
Cash dividends declared:											
Common ($0.155 per share)								(228)	(228)		(228)
Preferred								(37)	(37)		(37)
Recognition of the fair value of share-based compensation				26					26		26
Other share-based compensation activity		155	—	2				—	2		2
Other				—	38	1	—	—	1	(8)	(7)
Balance, end of period	$ 2,484	1,455,467	$ 15	$ 15,363	(7,392)	$ (91)	$ (3,622)	$ 4,334	$ 18,483	$ 47	$ 18,530
Three months ended September 30, 2022											
Balance, beginning of period	$ 2,167	1,448,885	$ 14	$ 15,261	(6,691)	$ (85)	$ (2,098)	$ 2,691	$ 17,950	$ 29	$ 17,979
Net income								594	594	3	597
Other comprehensive (loss) income, net of tax							(1,178)		(1,178)		(1,178)
Cash dividends declared:											
Common ($0.155 per share)								(227)	(227)		(227)
Preferred								(29)	(29)		(29)
Recognition of the fair value of share-based compensation				19					19		19
Other share-based compensation activity		191	—	2				—	2		2
Other				—	349	5		—	5	3	8
Balance, end of period	$ 2,167	1,449,076	$ 14	$ 15,282	(6,342)	$ (80)	$ (3,276)	$ 3,029	$ 17,136	$ 35	$ 17,171

See Notes to Unaudited Consolidated Financial Statements

(dollar amounts in millions, share amounts in thousands)	Preferred Stock	Common Stock		Capital Surplus	Treasury Stock		AOCI	Retained Earnings	Huntington Shareholders' Equity	Non-controlling Interest	Total Equity
	Amount	Shares	Amount		Shares	Amount					
Nine months ended September 30, 2023											
Balance, beginning of period	$ 2,167	1,449,390	$ 14	$ 15,309	(6,322)	$ (80)	$ (3,098)	$ 3,419	$ 17,731	$ 38	$ 17,769
Net income								1,708	1,708	15	1,723
Other comprehensive income (loss), net of tax							(524)		(524)		(524)
Net proceeds from issuance of Series J Preferred Stock	317								317		317
Cash dividends declared:											
Common ($0.465 per share)								(683)	(683)		(683)
Preferred								(106)	(106)		(106)
Recognition of the fair value of share-based compensation				73					73		73
Other share-based compensation activity		6,077	1	(19)				(4)	(22)		(22)
Other				—	(1,070)	(11)	—	—	(11)	(6)	(17)
Balance, end of period	$ 2,484	1,455,467	$ 15	$ 15,363	(7,392)	$ (91)	$ (3,622)	$ 4,334	$ 18,483	$ 47	$ 18,530
Nine months ended September 30, 2022											
Balance, beginning of period	$ 2,167	1,444,040	$ 14	$ 15,222	(6,298)	$ (79)	$ (229)	$ 2,202	$ 19,297	$ 21	$ 19,318
Net income								1,593	1,593	7	1,600
Other comprehensive income (loss), net of tax							(3,047)		(3,047)		(3,047)
Cash dividends declared:											
Common ($0.465 per share)								(681)	(681)		(681)
Preferred								(85)	(85)		(85)
Recognition of the fair value of share-based compensation				82					82		82
Other share-based compensation activity		5,036	—	(22)				—	(22)		(22)
Other				—	(44)	(1)		—	(1)	7	6
Balance, end of period	$ 2,167	1,449,076	$ 14	$ 15,282	(6,342)	$ (80)	$ (3,276)	$ 3,029	$ 17,136	$ 35	$ 17,171

See Notes to Unaudited Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Cash Flows
(Unaudited)

(dollar amounts in millions)	Nine months ended September 30, 2023	2022
Operating activities		
Net income	$ 1,723	$ 1,600
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	276	198
Depreciation and amortization	558	355
Share-based compensation expense	73	82
Deferred income tax expense	12	164
Net change in:		
Trading account securities	(102)	15
Loans held for sale	(159)	464
Other assets	(915)	(1,109)
Other liabilities	289	893
Other, net	4	8
Net cash provided by operating activities	1,759	2,670
Investing activities		
Change in interest bearing deposits in banks	(24)	287
Net cash paid from business combinations	—	(223)
Proceeds from:		
Maturities and calls of available-for-sale securities	1,743	3,298
Maturities and calls of held-to-maturity securities	1,132	2,306
Maturities and calls of other securities	596	829
Sales of available-for-sale securities	738	—
Sales of other securities	143	9
Purchases of available-for-sale securities	(1,710)	(6,365)
Purchases of held-to-maturity securities	(255)	(2,845)
Purchases of other securities	(603)	(1,009)
Net proceeds from sales of portfolio loans and leases	355	937
Principal payments received under direct finance and sales-type leases	1,411	1,389
Net loan and lease activity, excluding sales and purchases	(3,273)	(8,375)
Purchases of premises and equipment	(80)	(165)
Purchases of loans and leases	(52)	(569)
Net accrued income and other receivables activity	126	96
Other, net	65	54
Net cash (used in) provided by investing activities	312	(10,346)
Financing activities		
Increase in deposits	953	3,050
Increase (decrease) in short-term borrowings	(1,066)	783
Net proceeds from issuance of long-term debt	14,897	5,379
Maturity/redemption of long-term debt	(11,632)	(1,902)
Dividends paid on preferred stock	(97)	(84)
Dividends paid on common stock	(674)	(673)
Net proceeds from issuance of preferred stock	317	—
Other, net	(38)	(23)
Net cash provided by financing activities	2,660	6,530
Increase (decrease) in cash and cash equivalents	4,731	(1,146)
Cash and cash equivalents at beginning of period	6,704	5,522
Cash and cash equivalents at end of period	$ 11,435	$ 4,376

(dollar amounts in millions)	Nine months ended September 30, 2023	2022
Supplemental disclosures:		
Interest paid	$ 2,342	$ 269
Income taxes (received) paid	6	(113)
Non-cash activities		
Loans transferred to held-for-sale from portfolio	336	764
Loans transferred to portfolio from held-for-sale	18	65
Transfer of securities from available-for-sale to held-to-maturity	—	4,225

See Notes to Unaudited Consolidated Financial Statements

Huntington Bancshares Incorporated
Notes to Unaudited Consolidated Financial Statements

1. BASIS OF PRESENTATION

The accompanying Unaudited Consolidated Financial Statements of Huntington reflect all adjustments consisting of normal recurring accruals which are, in the opinion of management, necessary for a fair statement of the consolidated financial position, the results of operations, and cash flows for the periods presented. These Unaudited 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 2022 Annual Report on 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.

During the 2023 second quarter, Huntington revised its process for assessing and monitoring the risk and performance of non-real estate secured commercial loans, primarily loans to REITs. These loans were reclassified from commercial real estate to the commercial and industrial loan category to align reporting with this process revision. All prior period results have been adjusted to conform to the current presentation.

During the 2023 second quarter, Huntington completed an organizational realignment and now reports ontwo business segments: Consumer & Regional Banking and Commercial Banking. The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense. Huntington's business segments are based on our internally-aligned segment leadership structure, which is how management monitors results and assesses performance. The organizational realignment primarily involved consolidating our previously reported Consumer and Business Banking, Vehicle Finance and RBHPCG, into one new business segment called Consumer & Regional Banking. Prior period results have been adjusted to conform to the new segment presentation. See Note 16 "Segment Reporting" for a description of our business segments.

Effective January 1, 2023, Huntington adopted ASU 2022-02*Financial Instruments - Credit Losses (Topic 326) Troubled Debt Restructurings (TDR) and Vintage Disclosures,* which removed the existing measurement and disclosure requirements for TDR loans and added additional disclosure requirements related to modifications provided to borrowers experiencing financial difficulty. Prior to adoption a change in contractual terms of a loan where a borrower was experiencing financial difficulty and received a concession not available through other sources the loans was required to be disclosed as a TDR, whereas now a borrower that is experiencing financial difficulty and receives a modification in the form of principal forgiveness, interest rate reduction, an other-than-insignificant payment delay or a term extension in the current period needs to be disclosed. Huntington may modify loans to borrowers experiencing financial difficulty as a way of managing risk and mitigating credit loss from the borrower. Huntington may make various types of modifications and may in certain circumstances use a combination of modification types in order to mitigate future loss. The amount of defined modifications given to borrowers experiencing financial difficulty is disclosed in the Notes to the Consolidated Financial Statements, along with the financial impact of those modifications.

In conjunction with applicable accounting standards, all material subsequent events have been either recognized in the Unaudited Consolidated Financial Statements or disclosed in the Notes to Unaudited Consolidated Financial Statements. There were no material subsequent events to disclose for the current period.

2. ACCOUNTING STANDARDS UPDATE

Accounting standards adopted in the current period

Standard	Summary of guidance	Effects on financial Statements
ASU 2022-02- Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures Issued March 2022	• The amendments in this update eliminate TDR accounting while enhancing disclosure requirements for certain loan modifications when a borrower is experiencing financial difficulty. The ASU also requires disclosure of current period gross charge-offs by year of origination for financing receivables and net investments in leases.	• Management adopted the guidance during the first quarter 2023. • The ASU has been applied prospectively, except the portion of the standard related to the recognition and measurement of TDRs where we elected to use a modified retrospective transition method. • The adoption did not result in a material impact on Huntington’s Unaudited Consolidated Financial Statements.

Accounting standards yet to be adopted

Standard	Summary of guidance	Effects on financial statements
ASU 2023-02 Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method Issued: March 2023	• Permits the election of the proportional amortization method for any tax equity investment that meets specific criteria. • Requires that the election be made on a tax-credit-program-by-tax-credit-program basis. • Receipt of tax credits must be accounted for using the flow through method. • Required that a liability be recorded for delayed equity contributions. • Expands disclosure requirements for the nature of investments and financial statement effect.	• Effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. • Early adoption is permitted in any interim period. • If adopted in an interim period, it shall be adopted as if adopted at the beginning of the fiscal year. • The amendments can be applied in retrospective or modified retrospective basis, with a cumulative effect adjustment reflected in retained earnings. • Huntington does not expect adoption of the standard to have a material impact on its Unaudited Consolidated Financial Statements.

3. INVESTMENT SECURITIES AND OTHER SECURITIES

Debt securities purchased in which Huntington has the intent and ability to hold to their maturity are classified as held-to-maturity securities. All other debt and equity securities are classified as either available-for-sale or other securities.

The following tables provide amortized cost, fair value, and gross unrealized gains and losses by investment category at September 30, 2023 and December 31, 2022:

		Unrealized		
(dollar amounts in millions)	Amortized Cost (1)(2)	Gross Gains	Gross Losses	Fair Value
At September 30, 2023				
Available-for-sale securities:				
U.S. Treasury	$ 5	$ —	$ —	$ 5
Federal agencies:				
Residential CMO	3,661	1	(531)	3,131
Residential MBS	13,445	—	(2,529)	10,916
Commercial MBS	2,544	—	(815)	1,729
Other agencies	168	—	(9)	159
Total U.S. Treasury, federal agency, and other agency securities	19,823	1	(3,884)	15,940
Municipal securities	3,702	1	(226)	3,477
Private-label CMO	133	—	(15)	118
Asset-backed securities	391	—	(40)	351
Corporate debt	2,209	109	(345)	1,973
Other securities/Sovereign debt	4	—	—	4
Total available-for-sale securities	$ 26,262	$ 111	$ (4,510)	$ 21,863
Held-to-maturity securities:				
Federal agencies:				
Residential CMO	$ 4,881	$ —	$ (839)	$ 4,042
Residential MBS	9,578	—	(1,691)	7,887
Commercial MBS	1,580	—	(300)	1,280
Other agencies	107	—	(9)	98
Total federal agency and other agency securities	16,146	—	(2,839)	13,307
Municipal securities	2	—	—	2
Total held-to-maturity securities	$ 16,148	$ —	$ (2,839)	$ 13,309
Other securities, at cost:				
Non-marketable equity securities:				
Federal Home Loan Bank stock	$ 156	$ —	$ —	$ 156
Federal Reserve Bank stock	517	—	—	517
Equity securities	15	—	—	15
Other securities, at fair value:				
Mutual funds	29	—	—	29
Equity securities	1	—	—	1
Total other securities	$ 718	$ —	$ —	$ 718

(1) Amortized cost amounts exclude accrued interest receivable, which is recorded within accrued income and other receivables on the Consolidated Balance Shees. At September 30, 2023, accrued interest receivable on available-for-sale securities and held-to-maturity securities totaled $70 million and $37 million, respectively.

(2) Excluded from the amortized cost are portfolio level basis adjustments for securities designated in fair value hedges under the portfolio layer method. The basis adjustments totaled $916 million and represent a reduction to the amortized cost of the securities being hedged. The securities being hedged under the portfolio layer method are primarily Residential CMO and Residential MBS securities.

(dollar amounts in millions)	Amortized Cost (1)(2)	Unrealized Gross Gains	Unrealized Gross Losses	Fair Value
At December 31, 2022				
Available-for-sale securities:				
U.S. Treasury	$ 103	$ —	$ —	$ 103
Federal agencies:				
Residential CMO	3,336	—	(422)	2,914
Residential MBS	14,349	4	(2,090)	12,263
Commercial MBS	2,565	—	(612)	1,953
Other agencies	190	1	(9)	182
Total U.S. Treasury, federal agency, and other agency securities	20,543	5	(3,133)	17,415
Municipal securities	3,527	1	(238)	3,290
Private-label CMO	146	—	(18)	128
Asset-backed securities	416	—	(44)	372
Corporate debt	2,467	132	(385)	2,214
Other securities/Sovereign debt	4	—	—	4
Total available-for-sale securities	$ 27,103	$ 138	$ (3,818)	$ 23,423
Held-to-maturity securities:				
Federal agencies:				
Residential CMO	$ 4,970	$ 4	$ (714)	$ 4,260
Residential MBS	10,295	—	(1,375)	8,920
Commercial MBS	1,652	—	(204)	1,448
Other agencies	133	—	(9)	124
Total federal agency and other agency securities	17,050	4	(2,302)	14,752
Municipal securities	2	—	—	2
Total held-to-maturity securities	$ 17,052	$ 4	$ (2,302)	$ 14,754
Other securities, at cost:				
Non-marketable equity securities:				
Federal Home Loan Bank stock	$ 312	$ —	$ —	$ 312
Federal Reserve Bank stock	500	—	—	500
Equity securities	10	—	—	10
Other securities, at fair value:				
Mutual funds	31	—	—	31
Equity securities	1	—	—	1
Total other securities	$ 854	$ —	$ —	$ 854

(1) Amortized cost amounts exclude accrued interest receivable, which is recorded within accrued income and other receivables on the Consolidated Balance Shees. At December 31, 2022, accrued interest receivable on available-for-sale securities and held-to-maturity securities totaled $64 million and $39 million, respectively.

(2) Excluded from the amortized cost are portfolio level basis adjustments for securities designated in fair value hedges under the portfolio layer method. The basis adjustments totaled $849 million and represent a reduction to the amortized cost of the securities being hedged. The securities being hedged under the portfolio layer method are primarily Residential CMO and Residential MBS securities.

The following table provides the amortized cost and fair value of securities by contractual maturity at September 30, 2023 and December 31, 2022. Expected maturities may differ from contractual maturities as issuers may have the right to call or prepay obligations with or without incurring penalties.

	At September 30, 2023		At December 31, 2022	
(dollar amounts in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available-for-sale securities:				
Under 1 year	$ 434	$ 425	$ 518	$ 511
After 1 year through 5 years	2,636	2,437	2,182	2,033
After 5 years through 10 years	2,537	2,321	3,106	2,814
After 10 years	20,655	16,680	21,297	18,065
Total available-for-sale securities	$ 26,262	$ 21,863	$ 27,103	$ 23,423
Held-to-maturity securities:				
Under 1 year	$ 1	$ 1	$ —	$ —
After 1 year through 5 years	52	49	72	68
After 5 years through 10 years	72	66	71	66
After 10 years	16,023	13,193	16,909	14,620
Total held-to-maturity securities	$ 16,148	$ 13,309	$ 17,052	$ 14,754

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 September 30, 2023 and December 31, 2022:

	Less than 12 Months		Over 12 Months		Total	
(dollar amounts in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
At September 30, 2023						
Available-for-sale securities:						
Federal agencies:						
Residential CMO	$ 544	$ (16)	$ 2,587	$ (515)	$ 3,131	$ (531)
Residential MBS	456	(21)	10,461	(2,508)	10,917	(2,529)
Commercial MBS	—	—	1,729	(815)	1,729	(815)
Other agencies	16	—	73	(9)	89	(9)
Total federal agency and other agency securities	1,016	(37)	14,850	(3,847)	15,866	(3,884)
Municipal securities	713	(29)	2,665	(197)	3,378	(226)
Private-label CMO	—	—	95	(15)	95	(15)
Asset-backed securities	—	—	351	(40)	351	(40)
Corporate debt	—	—	1,973	(345)	1,973	(345)
Total temporarily impaired available-for-sale securities	$ 1,729	$ (66)	$ 19,934	$ (4,444)	$ 21,663	$ (4,510)
Held-to-maturity securities:						
Federal agencies:						
Residential CMO	$ 561	$ (16)	$ 3,481	$ (823)	$ 4,042	$ (839)
Residential MBS	150	(7)	7,737	(1,684)	7,887	(1,691)
Commercial MBS	—	—	1,280	(300)	1,280	(300)
Other agencies	—	—	98	(9)	98	(9)
Total federal agency and other agency securities	711	(23)	12,596	(2,816)	13,307	(2,839)
Total temporarily impaired held-to-maturity securities	$ 711	$ (23)	$ 12,596	$ (2,816)	$ 13,307	$ (2,839)

(dollar amounts in millions)	Less than 12 Months Fair Value	Less than 12 Months Gross Unrealized Losses	Over 12 Months Fair Value	Over 12 Months Gross Unrealized Losses	Total Fair Value	Total Gross Unrealized Losses
At December 31, 2022						
Available-for-sale securities:						
Federal agencies:						
Residential CMO	$ 2,096	$ (224)	$ 818	$ (198)	$ 2,914	$ (422)
Residential MBS	2,455	(286)	9,490	(1,804)	11,945	(2,090)
Commercial MBS	1,090	(249)	863	(363)	1,953	(612)
Other agencies	40	(1)	56	(8)	96	(9)
Total federal agency and other agency securities	5,681	(760)	11,227	(2,373)	16,908	(3,133)
Municipal securities	2,298	(174)	807	(64)	3,105	(238)
Private-label CMO	64	(13)	43	(5)	107	(18)
Asset-backed securities	174	(10)	199	(34)	373	(44)
Corporate debt	727	(105)	1,487	(280)	2,214	(385)
Total temporarily impaired available-for-sale securities	$ 8,944	$ (1,062)	$ 13,763	$ (2,756)	$ 22,707	$ (3,818)
Held-to-maturity securities:						
Federal agencies:						
Residential CMO	$ 1,702	$ (238)	$ 2,283	$ (476)	$ 3,985	$ (714)
Residential MBS	4,151	(462)	4,711	(913)	8,862	(1,375)
Commercial MBS	1,201	(154)	247	(50)	1,448	(204)
Other agencies	124	(9)	—	—	124	(9)
Total federal agency and other agency securities	7,178	(863)	7,241	(1,439)	14,419	(2,302)
Total temporarily impaired held-to-maturity securities	$ 7,178	$ (863)	$ 7,241	$ (1,439)	$ 14,419	$ (2,302)

At September 30, 2023 and December 31, 2022, the carrying value of investment securities pledged: (i) to secure certain uninsured deposits, trading account liabilities, U.S. Treasury demand notes, and security repurchase agreements, and (ii) to support borrowing capacity totaled $32.6 billion and $26.9 billion, respectively. There were no securities of a single issuer, which were not governmental or government-sponsored, that exceeded 10% of shareholders' equity at either September 30, 2023 or December 31, 2022. At September 30, 2023, all HTM debt securities are considered investment grade. In addition, there were no HTM debt securities considered past due at September 30, 2023.

Based on an evaluation of available information including security type, counterparty credit quality, past events, current conditions, and reasonable and supportable forecasts that are relevant to collectability of cash flows, as of September 30, 2023, Huntington has concluded that it expects to receive all contractual cash flows from each security held in its AFS and HTM debt securities portfolio. There was no allowance related to investment securities as of September 30, 2023 or December 31, 2022. A $4 million charge-off was recognized during the 2022 first quarter for one municipal bond classified as an AFS debt security.

4. LOANS AND LEASES

The following table provides a detailed listing of Huntington's loan and lease portfolio at September 30, 2023 and December 31, 2022.

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
Commercial loan and lease portfolio:		
Commercial and industrial	$ 49,422	$ 48,121
Commercial real estate	12,668	13,640
Lease financing	5,161	5,252
Total commercial loan and lease portfolio	67,251	67,013
Consumer loan portfolio:		
Residential mortgage	23,427	22,226
Automobile	12,724	13,154
Home equity	10,118	10,375
RV and marine	5,937	5,376
Other consumer	1,396	1,379
Total consumer loan portfolio	53,602	52,510
Total loans and leases (1)(2)	120,853	119,523
Allowance for loan and lease losses	(2,208)	(2,121)
Net loans and leases	$ 118,645	$ 117,402

(1) Loans and leases are reported at principal amount outstanding including unamortized purchase premiums and discounts, unearned income, and net direct fees and costs associated with originating and acquiring loans and leases. The aggregate amount of these loan and lease adjustments was a net (discount) premium of $(150) million and $3 million at September 30, 2023 and December 31, 2022, respectively.

(2) The total amount of accrued interest recorded for these loans and leases at September 30, 2023, was $323 million and $209 million of commercial and consumer loan and lease portfolios, respectively, and at December 31, 2022, was $274 million and $186 million of commercial and consumer loan and lease portfolios, respectively. Accrued interest is presented in accrued income and other receivables within the Consolidated Balance Sheets.

Lease Financing

The following table presents net investments in lease financing receivables by category at September 30, 2023 and December 31, 2022.

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
Lease payments receivable	$ 4,867	$ 4,916
Estimated residual value of leased assets	805	788
Gross investment in lease financing receivables	5,672	5,704
Deferred origination costs	53	46
Deferred fees, unearned income and other	(564)	(498)
Total lease financing receivables	$ 5,161	$ 5,252

The carrying value of residual values guaranteed was $481 million and $466 million as of September 30, 2023 and December 31, 2022, respectively. The future lease rental payments due from customers on sales-type and direct financing leases at September 30, 2023, totaled $4.9 billion and were due as follows: $813 million in 2023, $792 million in 2024, $722 million in 2025, $778 million in 2026, $764 million in 2027, and $998 million thereafter. Interest income recognized for these types of leases was $73 million and $41 million for the three-month periods ended September 30, 2023 and 2022, respectively. For the nine-month periods ended September 30, 2023 and 2022, interest income recognized for these types of leases was $211 million and $117 million, respectively.

Nonaccrual and Past Due Loans and Leases

The following table presents NALs by class at September 30, 2023 and December 31, 2022:

(dollar amounts in millions)	At September 30, 2023		At December 31, 2022	
	Nonaccrual loans and leases with no ACL	Total nonaccrual loans and leases	Nonaccrual loans and leases with no ACL	Total nonaccrual loans and leases
Commercial and industrial	$ 48	$ 314	$ 49	$ 288
Commercial real estate	69	102	63	92
Lease financing	3	14	—	18
Residential mortgage	—	75	—	90
Automobile	—	4	—	4
Home equity	—	82	—	76
RV and marine	—	1	—	1
Total nonaccrual loans and leases	$ 120	$ 592	$ 112	$ 569

The following tables present an aging analysis of loans and leases, by class at September 30, 2023 and December 31, 2022:

(dollar amounts in millions)	Past Due (1)				Current	Loans Accounted for Under FVO	Total Loans and Leases	90 or more days past due and accruing
	30-59 Days	60-89 Days	90 or more days	Total				
At September 30, 2023								
Commercial and industrial	$ 45	$ 31	$ 81	$ 157	$ 49,265	$ —	$ 49,422	$ —
Commercial real estate	21	5	27	53	12,615	—	12,668	—
Lease financing	39	18	9	66	5,095	—	5,161	7 (2)
Residential mortgage	230	68	170	468	22,785	174	23,427	124 (3)
Automobile	81	20	11	112	12,612	—	12,724	8
Home equity	56	28	76	160	9,957	1	10,118	19
RV and marine	17	5	3	25	5,912	—	5,937	2
Other consumer	11	5	3	19	1,377	—	1,396	3
Total loans and leases	$ 500	$ 180	$ 380	$ 1,060	$ 119,618	$ 175	$ 120,853	$ 163
At December 31, 2022								
Commercial and industrial	$ 53	$ 19	$ 108	$ 180	$ 47,941	$ —	$ 48,121	$ 23 (4)
Commercial real estate	2	1	9	12	13,628	—	13,640	—
Lease financing	36	18	10	64	5,188	—	5,252	9 (2)
Residential mortgage	246	69	199	514	21,528	184	22,226	146 (3)
Automobile	88	20	11	119	13,035	—	13,154	9
Home equity	56	30	66	152	10,222	1	10,375	15
RV and marine	15	5	3	23	5,353	—	5,376	3
Other consumer	13	3	3	19	1,360	—	1,379	2
Total loans and leases	$ 509	$ 165	$ 409	$ 1,083	$ 118,255	$ 185	$ 119,523	$ 207

(1) NALs are included in this aging analysis based on the loan's past due status.
(2) Amounts include Huntington Technology Finance administrative lease delinquencies.
(3) Amounts include mortgage loans insured by U.S. government agencies.
(4) Amounts include SBA loans and leases.

Credit Quality Indicators

See Note 5 “Loans and Leases” to the Consolidated Financial Statements appearing in Huntington’s 2022 Annual Report on Form 10-K for a description of the credit quality indicators Huntington utilizes for monitoring credit quality and for determining an appropriate ACL level.

For all classes within the consumer loan portfolios, borrower credit bureau scores are monitored as an indicator of credit quality. A credit bureau score is a credit score developed by FICO 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 tables present the amortized cost basis of loans and leases by vintage and credit quality indicator at September 30, 2023 and December 31, 2022 respectively:

	At September 30, 2023								
	Term Loans Amortized Cost Basis by Origination Year								
(dollar amounts in millions)	2023	2022	2021	2020	2019	Prior	Revolver Total at Amortized Cost Basis	Revolver Total Converted to Term Loans	Total
Commercial and industrial									
Credit Quality Indicator (1):									
Pass	$ 12,138	$ 11,025	$ 4,096	$ 2,354	$ 1,381	$ 1,593	$ 13,929	$ 5	$ 46,521
OLEM	98	214	81	31	15	13	344	—	796
Substandard	306	324	193	159	151	230	732	—	2,095
Doubtful	9	1	—	—	—	—	—	—	10
Total Commercial and industrial	$ 12,551	$ 11,564	$ 4,370	$ 2,544	$ 1,547	$ 1,836	$ 15,005	$ 5	$ 49,422
Commercial real estate									
Credit Quality Indicator (1):									
Pass	$ 1,200	$ 3,562	$ 2,050	$ 1,154	$ 1,294	$ 1,469	$ 533	$ —	$ 11,262
OLEM	117	290	116	53	33	25	1	—	635
Substandard	152	234	103	18	133	115	16	—	771
Total Commercial real estate	$ 1,469	$ 4,086	$ 2,269	$ 1,225	$ 1,460	$ 1,609	$ 550	$ —	$ 12,668
Lease financing									
Credit Quality Indicator (1):									
Pass	$ 1,449	$ 1,479	$ 933	$ 680	$ 298	$ 155	$ —	$ —	$ 4,994
OLEM	4	10	9	9	3	1	—	—	36
Substandard	8	49	38	13	14	8	—	—	130
Doubtful	—	—	1	—	—	—	—	—	1
Total Lease financing	$ 1,461	$ 1,538	$ 981	$ 702	$ 315	$ 164	$ —	$ —	$ 5,161
Residential mortgage									
Credit Quality Indicator (2):									
750+	$ 1,609	$ 3,972	$ 6,077	$ 3,330	$ 769	$ 2,253	$ —	$ —	$ 18,010
650-749	882	1,023	970	515	188	794	—	—	4,372
<650	54	72	81	64	86	514	—	—	871
Total Residential mortgage	$ 2,545	$ 5,067	$ 7,128	$ 3,909	$ 1,043	$ 3,561	$ —	$ —	$ 23,253
Automobile									
Credit Quality Indicator (2):									
750+	$ 1,993	$ 2,158	$ 1,709	$ 862	$ 457	$ 135	$ —	$ —	$ 7,314
650-749	1,250	1,423	1,007	426	205	78	—	—	4,389
<650	164	306	294	134	75	48	—	—	1,021
Total Automobile	$ 3,407	$ 3,887	$ 3,010	$ 1,422	$ 737	$ 261	$ —	$ —	$ 12,724
Home equity									
Credit Quality Indicator (2):									
750+	$ 322	$ 443	$ 530	$ 553	$ 18	$ 261	$ 4,490	$ 231	$ 6,848
650-749	99	103	68	59	7	105	2,046	231	2,718
<650	2	6	4	3	2	45	360	129	551
Total Home equity	$ 423	$ 552	$ 602	$ 615	$ 27	$ 411	$ 6,896	$ 591	$ 10,117
RV and marine									
Credit Quality Indicator (2):									
750+	$ 1,070	$ 1,007	$ 899	$ 616	$ 308	$ 647	$ —	$ —	$ 4,547
650-749	273	256	260	164	95	222	—	—	1,270
<650	4	13	22	19	15	47	—	—	120
Total RV and marine	$ 1,347	$ 1,276	$ 1,181	$ 799	$ 418	$ 916	$ —	$ —	$ 5,937
Other consumer									
Credit Quality Indicator (2):									
750+	$ 152	$ 89	$ 44	$ 22	$ 20	$ 53	$ 398	$ 3	$ 781
650-749	75	48	19	7	6	13	366	14	548
<650	4	6	3	1	2	1	37	13	67
Total Other consumer	$ 231	$ 143	$ 66	$ 30	$ 28	$ 67	$ 801	$ 30	$ 1,396

(1) Consistent with the credit quality disclosures, indicators for the Commercial portfolio are based on internally defined categories of credit grades.
(2) Consistent with the credit quality disclosures, indicators for the Consumer portfolio are based on updated customer credit scores refreshed at least quarterly.

(dollar amounts in millions)	At December 31, 2022								
	Term Loans Amortized Cost Basis by Origination Year								
	2022	2021	2020	2019	2018	Prior	Revolver Total at Amortized Cost Basis	Revolver Total Converted to Term Loans	Total
Commercial and industrial									
Credit Quality Indicator (1):									
Pass	$ 18,092	$ 6,742	$ 3,332	$ 2,107	$ 1,156	$ 1,186	$ 13,060	$ 3	$ 45,678
OLEM	108	139	72	21	49	26	113	—	528
Substandard	368	183	203	212	142	256	550	—	1,914
Doubtful	—	—	—	—	—	1	—	—	1
Total Commercial and industrial	$ 18,568	$ 7,064	$ 3,607	$ 2,340	$ 1,347	$ 1,469	$ 13,723	$ 3	$ 48,121
Commercial real estate									
Credit Quality Indicator (1):									
Pass	$ 4,022	$ 3,115	$ 1,562	$ 1,662	$ 829	$ 1,020	$ 519	$ —	$ 12,729
OLEM	61	53	1	43	6	9	—	—	173
Substandard	231	116	92	74	84	140	1	—	738
Total Commercial real estate	$ 4,314	$ 3,284	$ 1,655	$ 1,779	$ 919	$ 1,169	$ 520	$ —	$ 13,640
Lease financing									
Credit Quality Indicator (1):									
Pass	$ 1,930	$ 1,291	$ 952	$ 447	$ 186	$ 143	$ —	$ —	$ 4,949
OLEM	32	9	15	18	6	3	—	—	83
Substandard	65	37	74	24	9	11	—	—	220
Total Lease financing	$ 2,027	$ 1,337	$ 1,041	$ 489	$ 201	$ 157	$ —	$ —	$ 5,252
Residential mortgage									
Credit Quality Indicator (2):									
750+	$ 3,666	$ 6,274	$ 3,566	$ 846	$ 469	$ 2,070	$ —	$ —	$ 16,891
650-749	1,394	1,172	617	211	137	777	—	—	4,308
<650	49	68	61	95	90	480	—	—	843
Total Residential mortgage	$ 5,109	$ 7,514	$ 4,244	$ 1,152	$ 696	$ 3,327	$ —	$ —	$ 22,042
Automobile									
Credit Quality Indicator (2):									
750+	$ 2,770	$ 2,212	$ 1,243	$ 777	$ 289	$ 98	$ —	$ —	$ 7,389
650-749	1,944	1,508	683	367	162	52	—	—	4,716
<650	307	352	173	115	67	35	—	—	1,049
Total Automobile	$ 5,021	$ 4,072	$ 2,099	$ 1,259	$ 518	$ 185	$ —	$ —	$ 13,154
Home equity									
Credit Quality Indicator (2):									
750+	$ 463	$ 573	$ 611	$ 23	$ 20	$ 301	$ 4,787	$ 252	$ 7,030
650-749	131	88	68	9	8	122	2,129	261	2,816
<650	3	3	3	2	2	51	335	129	528
Total Home equity	$ 597	$ 664	$ 682	$ 34	$ 30	$ 474	$ 7,251	$ 642	$ 10,374
RV and marine									
Credit Quality Indicator (2):									
750+	$ 1,148	$ 1,031	$ 731	$ 361	$ 354	$ 438	$ —	$ —	$ 4,063
650-749	290	315	200	118	113	169	—	—	1,205
<650	5	18	15	17	17	36	—	—	108
Total RV and marine	$ 1,443	$ 1,364	$ 946	$ 496	$ 484	$ 643	$ —	$ —	$ 5,376
Other consumer									
Credit Quality Indicator (2):									
750+	$ 207	$ 64	$ 35	$ 34	$ 13	$ 52	$ 393	$ 3	$ 801
650-749	71	30	12	15	4	14	355	16	517
<650	3	3	2	3	1	2	33	14	61
Total Other consumer	$ 281	$ 97	$ 49	$ 52	$ 18	$ 68	$ 781	$ 33	$ 1,379

(1) Consistent with the credit quality disclosures, indicators for the Commercial portfolio are based on internally defined categories of credit grades.
(2) Consistent with the credit quality disclosures, indicators for the Consumer portfolio are based on updated customer credit scores refreshed at least quarterly.

The following tables present the gross charge-offs of loans and leases by vintage.

	Term Loans Gross Charge-offs by Origination Year								
(dollar amounts in millions)	2023	2022	2021	2020	2019	Prior	Revolver Gross Charge-offs	Revolver Converted to Term Loans Gross Charge-offs	Total
Three months ended September 30, 2023									
Commercial and industrial	$ 2	$ 21	$ 6	$ 6	$ 15	$ 1	$ 3	$ —	$ 54
Commercial real estate	5	6	—	—	10	—	7	—	28
Lease Financing	—	3	—	—	—	—	—	—	3
Residential mortgage	—	—	—	—	—	1	—	—	1
Automobile	1	5	3	1	1	1	—	—	12
Home equity	—	—	—	—	—	1	—	1	2
RV and marine	—	—	1	1	1	2	—	—	5
Other consumer	5	5	3	1	1	4	—	7	26
Total	$ 13	$ 40	$ 13	$ 9	$ 28	$ 10	$ 10	$ 8	$ 131
Nine months ended September 30, 2023									
Commercial and industrial	$ 4	$ 39	$ 23	$ 13	$ 26	$ 11	$ 7	$ 1	$ 124
Commercial real estate	5	9	19	—	15	5	7	—	60
Lease Financing	—	3	1	1	—	1	—	—	6
Residential mortgage	—	—	1	—	—	3	—	—	4
Automobile	1	11	11	5	4	3	—	—	35
Home equity	—	—	—	—	—	1	1	4	6
RV and marine	—	1	2	2	2	5	—	—	12
Other consumer	8	18	11	4	4	10	—	20	75
Total	$ 18	$ 81	$ 68	$ 25	$ 51	$ 39	$ 15	$ 25	$ 322

Modifications to Debtors Experiencing Financial Difficulty

Effective January 1, 2023, Huntington adopted ASU 2022-02- Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures. For additional information on the adoption, refer to both Note 1 “Basis of Presentation” and Note 2 “Accounting Standards Update.”

Huntington will modify the contractual terms of loans to a borrower experiencing financial difficulties as a way to mitigate loss, proactively work with borrowers in financial difficulty, or to comply with regulations regarding the treatment of certain bankruptcy filing and discharge situations.

A debtor is considered to be experiencing financial difficulty when there is significant doubt about the debtor’s ability to make required payments on the debt or to get equivalent financing from another creditor at a market rate for similar debt. A loan placed on nonaccrual because the borrower is experiencing financial difficulty 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.

Reported Modification Types

Modifications in the form of principal forgiveness, an interest rate reduction, an other than insignificant payment delay or a term extension that have occurred in the current reporting period to a borrower experiencing financial difficulty are disclosed along with the financial impact of the modifications.

Huntington will generally try other forms of relief before principal forgiveness but would define any contractual reduction in the amount of principal due without receiving payment or assets as forgiveness. For the purpose of the disclosure Huntington considers any contractual change in interest rate that results in the borrower receiving a below market rate to be an interest rate reduction. Many factors can go into what is considered an other than insignificant payment delay such as the significance of the restructured payment amount relative to the normal loan payment or the relative significance of the delay to the original loan terms. Generally, Huntington would consider any delay in payment of greater than 90 days in the last 12 months to be significant. For the purpose of the disclosure modification of contingent payment features or covenants that would have accelerated payment are not considered term extensions.

Following is a description of what is considered a borrower experiencing financial difficulty by the different loan types:

Commercial loan modifications – Our strategy involving commercial borrowers generally includes working with these borrowers to allow them time to improve their financial position and remain a Huntington customer through restructuring their notes or to restructure elsewhere if necessary. Borrowers that are rated substandard or worse in accordance with the regulatory definition, or that cannot otherwise restructure at market terms and conditions, are considered to be experiencing financial difficulty. A subsequent restructuring or modification of a loan may occur when either the loan matures according to the terms of the modified agreement, or the borrower requests a change to the loan agreements. It is subjected to the normal underwriting standards and processes for other similar credit extensions, both new and existing. The restructured note is evaluated to determine if it is considered a new loan or a continuation of the prior loan.

Consumer loan modifications – Consumer loans in which a borrower requires a modification as a result of negative changes to their financial condition or to avoid default, generally indicate the borrower is experiencing financial difficulty. The primary modifications made to consumer loans are amortization, maturity date and interest rate changes. Consumer borrowers identified as experiencing financial difficulty are unable to refinance their loans through the Company’s normal origination channels or through other independent sources. Most, but not all, of the loans may be delinquent. The Company’s primary loan categories that receive modifications are residential mortgage, automobile, home equity, RV and marine, and other consumer loans.

Impact on Credit Quality of Borrowers Experiencing Financial Difficulty

Huntington’s ALLL is influenced by loan level characteristics that inform the assessed propensity to default. As such, the provision for credit losses is impacted primarily by changes in such loan level characteristics, such as payment performance. Commercial borrowers experiencing financial difficulty are risk rated to reflect the increase in default characteristics so that that the ALLL reflects the future risk of loss. Borrowers experiencing financial difficulty can be classified as either accrual or nonaccrual loans.

The following table summarizes the amortized cost basis of loans modified during the reporting period to borrowers experiencing financial difficulty, disaggregated by class of financing receivable and type of modification.

	Amortized Cost					
(dollar amounts in millions)	Interest rate reduction	Term extension	Payment deferral	Combo - interest rate reduction and term extension	Total	% of total loan class (1)
Three months ended September 30, 2023						
Commercial and industrial	$ 1	$ 147	$ —	$ 1	$ 149	0.30 %
Commercial real estate	—	52	—	4	56	0.44
Residential mortgage	—	15	—	1	16	0.07
Automobile	—	4	—	—	4	0.03
Home equity	—	—	—	3	3	0.03
Total loans to borrowers experiencing financial difficulty in which modifications were made	$ 1	$ 218	$ —	$ 9	$ 228	0.19 %
Nine months ended September 30, 2023						
Commercial and industrial	$ 33	$ 291	$ —	$ 4	$ 328	0.66 %
Commercial real estate	—	138	—	4	142	1.12
Residential mortgage	—	50	2	3	55	0.23
Automobile	—	11	—	1	12	0.09
Home equity	—	1	—	8	9	0.09
RV and marine	—	1	—	—	1	0.02
Other consumer	1	—	—	—	1	0.07
Total loans to borrowers experiencing financial difficulty in which modifications were made	$ 34	$ 492	$ 2	$ 20	$ 548	0.45 %

(1) Represents the amortized cost of loans modified during the reporting period as a percentage of the period-end loan balance by class.

The following table describes the financial effect of the modification made to borrowers experiencing financial difficulty.

	Interest Rate Reduction (1)		Term Extension (1)
	Weighted-average contractual interest rate		Weighted-average years added to the life
	From	To	
Three months ended September 30, 2023			
Commercial and industrial	10.56 %	8.11 %	1.0
Commercial real estate	13.78	9.12	0.6
Residential mortgage	6.98	5.14	8.4
Nine months ended September 30, 2023			
Commercial and industrial	7.96 %	7.25 %	1.0
Commercial real estate	13.76	9.12	0.7
Residential mortgage	6.04	4.59	7.6
Automobile	6.53	6.18	2.0
Home equity	8.71	6.04	14.6

(1) Certain disclosures related to financial effects of modifications do not include those deemed to be immaterial.

The performance of loans made to borrowers experiencing financial difficulty in which modifications were made is closely monitored to understand the effectiveness of modification efforts. Loans are considered to be in payment default at 90 or more days past due. The following table depicts the performance of loans that have been modified during the reporting period.

	At September 30, 2023					
	Past Due					
(dollar amounts in millions)	30-59 Days	60-89 Days	90 or more days	Total	Current	Total
Commercial and industrial	$ 2	$ 1	$ 3	$ 6	$ 322	$ 328
Commercial real estate	—	5	1	6	136	142
Residential mortgage	10	5	7	22	33	55
Automobile	1	—	—	1	11	12
Home equity	—	—	1	1	8	9
RV and marine	—	—	—	—	1	1
Other consumer	—	—	—	—	1	1
Total loans to borrowers experiencing financial difficulty in which modifications were made in the nine months ended September 30, 2023	$ 13	$ 11	$ 12	$ 36	$ 512	$ 548

TDR Loans

The following provides additional disclosures previously required by ASC Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors, related to the three-month and nine-month period ended September 30, 2022.

TDRs are modified loans where a concession was provided to a borrower experiencing financial difficulties. Loan modifications are considered TDRs when the concessions provided would not otherwise be considered. However, not all loan modifications are TDRs. See Note 1 “Significant Accounting Policies” and Note 5 “Loans and Leases” to the Consolidated Financial Statements appearing in Huntington’s 2022 Annual Report on Form 10-K for additional discussion of TDRs.

The following table presents, by class and modification type, the number of contracts, post-modification outstanding balance, and the financial effects of the modification for the three-month and nine-month period ended September 30, 2022.

	New Troubled Debt Restructurings (1)					
		Post-modification Outstanding Recorded Investment (2)				
(dollar amounts in millions)	Number of Contracts	Interest rate reduction	Amortization or maturity date change	Chapter 7 bankruptcy	Other	Total
Three months ended September 30, 2022						
Commercial and industrial	81	$ 39	$ 22	$ —	$ 13	$ 74
Commercial real estate	7	5	10	—	—	15
Residential mortgage	184	—	25	1	—	26
Automobile	697	—	6	1	—	7
Home equity	54	—	1	—	—	1
RV and marine	31	—	1	1	—	2
Other consumer	38	—	—	—	—	—
Total new TDRs	1,092	$ 44	$ 65	$ 3	$ 13	$ 125
Nine months ended September 30, 2022						
Commercial and industrial	222	$ 69	$ 37	$ —	$ 14	$ 120
Commercial real estate	12	42	10	—	—	52
Residential mortgage	629	—	85	5	—	90
Automobile	1,791	—	13	2	—	15
Home equity	166	—	5	3	—	8
RV and marine	105	—	2	1	—	3
Other consumer	91	—	—	—	—	—
Total new TDRs	3,016	$ 111	$ 152	$ 11	$ 14	$ 288

(1) TDRs may include multiple concessions and the disclosure classifications are based on the primary concession provided to the borrower.
(2) Post-modification balances approximate pre-modification balances.

Pledged Loans

The Bank has access to the Federal Reserve's discount window and advances from the FHLB. As of September 30, 2023 and December 31, 2022, these borrowings and advances are secured by $101.5 billion and $70.9 billion, respectively, of loans.

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5. ALLOWANCE FOR CREDIT LOSSES

Allowance for Credit Losses - Roll-forward

The following tables present ACL activity by portfolio segment for the three-month and nine-month periods ended September 30, 2023 and 2022.

(dollar amounts in millions)	Commercial	Consumer	Total
Three months ended September 30, 2023			
ALLL balance, beginning of period	$ 1,483	$ 694	$ 2,177
Loan and lease charge-offs	(85)	(46)	(131)
Recoveries of loans and leases previously charged-off	40	18	58
Provision for loan and lease losses	66	38	104
ALLL balance, end of period	$ 1,504	$ 704	$ 2,208
AULC balance, beginning of period	$ 78	$ 87	$ 165
Provision for unfunded lending commitments	(2)	(3)	(5)
AULC balance, end of period	$ 76	$ 84	$ 160
ACL balance, end of period	$ 1,580	$ 788	$ 2,368
Nine months ended September 30, 2023			
ALLL balance, beginning of period	$ 1,424	$ 697	$ 2,121
Loan and lease charge-offs	(190)	(132)	(322)
Recoveries of loans and leases previously charged-off	89	54	143
Provision for loan and lease losses	181	85	266
ALLL balance, end of period	$ 1,504	$ 704	$ 2,208
AULC balance, beginning of period	$ 71	$ 79	$ 150
Provision for unfunded lending commitments	5	5	10
AULC balance, end of period	$ 76	$ 84	$ 160
ACL balance, end of period	$ 1,580	$ 788	$ 2,368

(dollar amounts in millions)	Commercial	Consumer	Total
Three months ended September 30, 2022			
ALLL balance, beginning of period	$ 1,342	$ 732	$ 2,074
Loan and lease charge-offs	(35)	(48)	(83)
Recoveries of loans and leases previously charged-off	20	19	39
Provision (benefit) for loan and lease losses	87	(7)	80
ALLL balance, end of period	$ 1,414	$ 696	$ 2,110
AULC balance, beginning of period	$ 53	$ 41	$ 94
Provision (benefit) for unfunded lending commitments	8	18	26
AULC balance, end of period	$ 61	$ 59	$ 120
ACL balance, end of period	$ 1,475	$ 755	$ 2,230
Nine months ended September 30, 2022			
ALLL balance, beginning of period	$ 1,462	$ 568	$ 2,030
Loan and lease charge-offs	(77)	(139)	(216)
Recoveries of loans and leases previously charged-off	83	62	145
Provision (benefit) for loan and lease losses	(54)	205	151
ALLL balance, end of period	$ 1,414	$ 696	$ 2,110
AULC balance, beginning of period	$ 41	$ 36	$ 77
Provision for unfunded lending commitments	20	23	43
AULC balance, end of period	$ 61	$ 59	$ 120
ACL balance, end of period	$ 1,475	$ 755	$ 2,230

At September 30, 2023, the ACL was $2.4 billion, an increase of $97 million compared to December 31, 2022.

The commercial ACL was $1.6 billion at September 30, 2023 and $1.5 billion at December 31, 2022. The increase of $85 million since year end was due to a combination of C&I loan growth and increased coverage levels in the commercial real estate portfolio during 2023.

The consumer ACL was $788 million, relatively flat compared to the December 31, 2022 balance of $776 million. The modest increase is attributable to loan and lease growth in the consumer portfolio.

The baseline economic scenario used in the September 30, 2023 ACL determination included the federal funds rate projected to peak in the third quarter of 2023 as the Federal Reserve continues to address inflation levels and tightness in the labor market. As a result, inflation is forecast to drop from an average of 4.1% in 2023 to 2.7% by 2024. However, unemployment is expected to gradually increase to a projected level of 4.2% by Q4 2024.

The economic scenarios used included elevated levels of economic uncertainty associated with geopolitical instability, high inflation readings, and the expected path of interest rate increases by the Federal Reserve. Given the uncertainty associated with key economic scenario assumptions, the September 30, 2023 ACL included a general reserve that consists of various risk profile components to capture uncertainty not addressed within the quantitative transaction reserve.

6. MORTGAGE LOAN SALES AND SERVICING RIGHTS

Residential Mortgage Portfolio

The following table summarizes activity relating to residential mortgage loans sold with servicing retained for the three-month and nine-month periods ended September 30, 2023 and 2022:

	Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions)	2023	2022	2023	2022
Residential mortgage loans sold with servicing retained	$ 1,100	$ 1,310	$ 3,079	$ 4,557
Pretax gains resulting from above loan sales (1)	21	11	43	110

(1) Recorded in mortgage banking income.

The following table summarizes the changes in MSRs recorded using the fair value method for the three-month and nine-month periods ended September 30, 2023 and 2022:

	Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions)	2023	2022	2023	2022
Fair value, beginning of period	$ 505	$ 463	$ 494	$ 351
New servicing assets created	17	20	48	68
Change in fair value during the period due to:				
Time decay (1)	(6)	(6)	(18)	(16)
Payoffs (2)	(7)	(8)	(18)	(29)
Changes in valuation inputs or assumptions (3)	38	17	41	112
Fair value, end of period	$ 547	$ 486	$ 547	$ 486

(1) Represents decrease in value due to passage of time, including the impact from both regularly scheduled 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.

A summary of key assumptions and the sensitivity of the MSR value to changes in these assumptions at September 30, 2023, and December 31, 2022 follows:

	At September 30, 2023			At December 31, 2022		
		Decline in fair value due to			Decline in fair value due to	
(dollar amounts in millions)	Actual	10% adverse change	20% adverse change	Actual	10% adverse change	20% adverse change
Constant prepayment rate *(annualized)*	6.86 %	$ (13)	$ (26)	7.05 %	$ (13)	$ (25)
Spread over forward interest rate swap rates	557 bps	(12)	(24)	578 bps	(12)	(22)

Total servicing, late and other ancillary fees included in mortgage banking income was $25 million and $23 million for the three-month periods ended September 30, 2023 and 2022, respectively. Total servicing, late and other ancillary fees included in mortgage banking income was $72 million and $68 million for the nine-month periods ended September 30, 2023 and 2022, respectively. The unpaid principal balance of residential mortgage loans serviced for third parties was $33 billion and $32.4 billion at September 30, 2023 and December 31, 2022, respectively.

7. BORROWINGS

Borrowings with original maturities of one year or less are classified as short-term and were comprised of the following at September 30, 2023 and December 31, 2022, respectively:

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
Federal funds purchased and securities sold under agreements to repurchase	$ 656	$ 253
FHLB advances	—	1,700
Other borrowings	25	74
Total short-term borrowings	$ 681	$ 2,027

Huntington’s long-term debt consisted of the following at September 30, 2023 and December 31, 2022, respectively:

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
The Parent Company:		
Senior Notes	$ 4,116	$ 3,005
Subordinated Notes	730	975
Total notes issued by the parent	4,846	3,980
The Bank:		
Senior Notes	4,114	4,272
Subordinated Notes	651	651
Total notes issued by the bank	4,765	4,923
FHLB Advances (1)	2,707	211
Other	504	572
Total long-term debt	$ 12,822	$ 9,686

(1) 4.21% weighted average rate, varying maturities greater than one year.

During the 2023 third quarter, Huntington issued $1.3 billion of fixed-to-floating senior notes. The fixed-to-floating senior notes are due August 21, 2029 and bear an initial fixed interest rate of 6.208%. Commencing August 21, 2028, the interest rate will reset to a floating rate equal to a benchmark rate based on the Compounded SOFR Index Rate plus 202 basis points.

8. OTHER COMPREHENSIVE INCOME

The components of Huntington's OCI for the three-month and nine-month periods ended September 30, 2023 and 2022, were as follows:

(dollar amounts in millions)	Pretax	Tax (expense) benefit	After-tax
Three months ended September 30, 2023			
Unrealized gains (losses) on available-for-sale securities arising during the period	$ (826)	$ 190	$ (636)
Reclassification adjustment for realized net losses included in net income	3	—	3
Total unrealized gains (losses) on available-for-sale securities	(823)	190	(633)
Net impact of fair value hedges on available-for-sale securities	87	(20)	67
Unrealized gains (losses) on cash flow hedges during the period	(119)	28	(91)
Reclassification adjustment for cash flow hedges included in net income	67	(26)	41
Net change related to cash flow hedges on loans	(52)	2	(50)
Foreign currency translation adjustment (1)	(6)	—	(6)
Net unrealized gains (losses) on net investment hedges	5	—	5
Translation adjustments, net of hedges (1)	(1)	—	(1)
Change in accumulated unrealized gains for pension and other post-retirement obligations	1	—	1
Other comprehensive income (loss)	$ (788)	$ 172	$ (616)
Three months ended September 30, 2022			
Unrealized losses on available-for-sale securities arising during the period	$ (1,265)	$ 291	$ (974)
Reclassification adjustment for realized net losses included in net income	4	(1)	3
Total unrealized losses on available-for-sale securities	(1,261)	290	(971)
Net impact of fair value hedges on available-for-sale securities	325	(75)	250
Net change related to cash flow hedges on loans	(591)	135	(456)
Translation adjustments, net of hedges (1)	(4)	—	(4)
Change in accumulated unrealized gains for pension and other post-retirement obligations	3	—	3
Other comprehensive income (loss)	$ (1,528)	$ 350	$ (1,178)
Nine months ended September 30, 2023			
Unrealized gains (losses) on available-for-sale securities arising during the period	$ (729)	$ 168	$ (561)
Reclassification adjustment for realized net losses included in net income	41	(9)	32
Total unrealized gains (losses) on available-for-sale securities	(688)	159	(529)
Net impact of fair value hedges on available-for-sale securities	44	(10)	34
Unrealized gains (losses) on cash flow hedging relationships arising during the period	(154)	40	(114)
Reclassification adjustment for cash flow hedges included in net income	113	(29)	84
Net change related to cash flow hedges	(41)	11	(30)
Translation adjustments, net of hedges (1)	—	—	—
Change in accumulated unrealized gains for pension and other post-retirement obligations	1	—	1
Other comprehensive income (loss)	$ (684)	$ 160	$ (524)
Nine months ended September 30, 2022			
Unrealized losses on available-for-sale securities arising during the period	$ (3,952)	$ 909	$ (3,043)
Reclassification adjustment for realized net losses included in net income	95	(22)	73
Total unrealized losses on available-for-sale securities	(3,857)	887	(2,970)
Net impact of fair value hedges on available-for-sale securities	917	(212)	705
Net change related to cash flow hedges	(1,012)	230	(782)
Translation adjustments, net of hedges (1)	(6)	—	(6)
Change in accumulated unrealized gains for pension and other post-retirement obligations	8	(2)	6
Other comprehensive income (loss)	$ (3,950)	$ 903	$ (3,047)

(1) Foreign investments are deemed to be permanent in nature and, therefore, Huntington does not provide for taxes on foreign currency translation adjustments.

Activity in accumulated OCI for the three-month and nine-month periods ended September 30, 2023 and 2022, were as follows:

(dollar amounts in millions)	Unrealized gains (losses) on available-for-sale securities (1)	Net impact of fair value hedges on available-for-sale securities	Net change related to cash flow hedges on loans	Translation adjustments, net of hedges	Unrealized gains (losses) for pension and other post-retirement obligations	Total
Three months ended September 30, 2023						
Balance, beginning of period	$ (2,898)	$ 721	$ (612)	$ (7)	$ (210)	$ (3,006)
Other comprehensive income (loss) before reclassifications	(636)	67	(91)	(1)	—	(661)
Amounts reclassified from accumulated OCI to earnings	3	—	41	—	1	45
Period change	(633)	67	(50)	(1)	1	(616)
Balance, end of period	$ (3,531)	$ 788	$ (662)	$ (8)	$ (209)	$ (3,622)
Three months ended September 30, 2022						
Balance, beginning of period	$ (2,152)	$ 544	$ (263)	$ (5)	$ (222)	$ (2,098)
Other comprehensive income (loss) before reclassifications	(974)	250	(456)	(4)	—	(1,184)
Amounts reclassified from accumulated OCI to earnings	3	—	—	—	3	6
Period change	(971)	250	(456)	(4)	3	(1,178)
Balance, end of period	$ (3,123)	$ 794	$ (719)	$ (9)	$ (219)	$ (3,276)
Nine months ended September 30, 2023						
Balance, beginning of period	$ (3,002)	$ 754	$ (632)	$ (8)	$ (210)	$ (3,098)
Other comprehensive income (loss) before reclassifications	(561)	34	(114)	—	—	(641)
Amounts reclassified from accumulated OCI to earnings	32		84	—	1	117
Period change	(529)	34	(30)	—	1	(524)
Balance, end of period	$ (3,531)	$ 788	$ (662)	$ (8)	$ (209)	$ (3,622)
Nine months ended September 30, 2022						
Balance, beginning of period	$ (153)	$ 89	$ 63	$ (3)	$ (225)	$ (229)
Other comprehensive income (loss) before reclassifications	(3,043)	705	(782)	(6)	—	(3,126)
Amounts reclassified from accumulated OCI to earnings	73	—	—	—	6	79
Period change	(2,970)	705	(782)	(6)	6	(3,047)
Balance, end of period	$ (3,123)	$ 794	$ (719)	$ (9)	$ (219)	$ (3,276)

(1) AOCI amounts at September 30, 2023 and September 30, 2022 include $60 million and $69 million, respectively, of net unrealized losses (after-tax) on securities transferred from the available-for-sale securities portfolio to the held-to-maturity securities portfolio. The net unrealized losses will be recognized in earnings over the remaining life of the security using the effective interest method.

9. SHAREHOLDERS' EQUITY

Preferred Stock

The following is a summary of Huntington's non-cumulative, non-voting, perpetual preferred stock outstanding.

(dollar amounts in millions)					Carrying Amount	
Series	Issuance Date	Shares Outstanding	Dividend Rate	Earliest Redemption Date (1)	At September 30, 2023	At December 31, 2022
Series B (2)	12/28/2011	35,500	Variable (3)	1/15/2017	$ 23	$ 23
Series E (4)	2/27/2018	5,000	Variable (5)	4/15/2023	495	495
Series F (4)	5/27/2020	5,000	5.625	7/15/2030	494	494
Series G (4)	8/3/2020	5,000	4.45	10/15/2027	494	494
Series H (2)	2/2/2021	500,000	4.50	4/15/2026	486	486
Series I (6)	6/9/2021	7,000	5.70	12/01/2022	175	175
Series J (2)	3/6/2023	325,000	6.875	4/15/2028	317	—
Total		882,500			$ 2,484	$ 2,167

(1) Redeemable at Huntington's option on the date stated or on a quarterly basis thereafter.
(2) Series B, H, and J preferred stock have a liquidation value and redemption price per share of $1,000, plus any declared and unpaid dividends.
(3) Series B dividend rate converted to 3-month CME Term SOFR + 26 bps LIBOR spread adjustment + 270 bps effective July 15, 2023. Prior to July 15, 2023, the dividend rate was 3-mo. LIBOR + 270 bps.
(4) Series E, F, and G preferred stock have a liquidation value and redemption price per share of $100,000, plus any declared and unpaid dividends.
(5) Series E dividend rate converted to 3-month CME Term SOFR + 26 bps LIBOR spread adjustment + 288 bps effective July 15, 2023. Prior to July 15, 2023, the dividend rate was 3-mo. LIBOR +288 bps.
(6) Series I preferred stock has a liquidation value and redemption price per share of $25,000, plus any declared and unpaid dividends.

The following table presents the dividends declared for each series of Preferred shares for the three-month and nine-month periods ended September 30, 2023 and 2022:

	Three months ended September 30,				Nine months ended September 30,			
	2023		2022		2023		2022	
(amounts in millions, except per share data) Preferred Series	Cash Dividend Declared Per Share	Amount ($)	Cash Dividend Declared Per Share	Amount ($)	Cash Dividend Declared Per Share	Amount ($)	Cash Dividend Declared Per Share	Amount ($)
Series B	$ 20.67	$ (1)	$ 16.95	$ —	$ 59.39	$ (2)	$ 39.34	$ —
Series E	2,112.39	(11)	1,425.00	(7)	5,572.46	(28)	4,275.00	(21)
Series F	1,406.25	(7)	1,406.25	(7)	4,218.75	(21)	4,218.75	(21)
Series G	1,112.50	(5)	1,112.50	(6)	3,337.50	(17)	3,337.50	(18)
Series H	11.25	(5)	11.25	(6)	33.75	(17)	33.75	(18)
Series I	356.25	(2)	356.25	(3)	1,068.75	(7)	1,068.75	(7)
Series J	17.19	(6)	—	—	41.83	(14)	—	—
Total		$ (37)		$ (29)		$ (106)		$ (85)

10. 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, and distributions from deferred compensation plans. Potentially dilutive common shares are excluded from the computation of diluted earnings per share in periods in which the effect would be antidilutive.

The calculation of basic and diluted earnings per share for the three-month and nine-month periods ended September 30, 2023 and 2022 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions, except per share data, share count in thousands)	2023	2022	2023	2022
Basic earnings per common share:				
Net income attributable to Huntington	$ 547	$ 594	$ 1,708	$ 1,593
Preferred stock dividends	37	29	106	85
Net income available to common shareholders	$ 510	$ 565	$ 1,602	$ 1,508
Average common shares issued and outstanding	1,447,993	1,442,591	1,445,878	1,440,740
Basic earnings per common share	$ 0.35	$ 0.39	$ 1.11	$ 1.05
Diluted earnings per common share:				
Average dilutive potential common shares:				
Stock options and restricted stock units and awards	12,183	16,064	14,670	17,078
Shares held in deferred compensation plans	7,435	6,428	6,989	6,416
Average dilutive potential common shares	19,618	22,492	21,659	23,494
Total diluted average common shares issued and outstanding	1,467,611	1,465,083	1,467,537	1,464,234
Diluted earnings per common share	$ 0.35	$ 0.39	$ 1.09	$ 1.03
Anti-dilutive awards (1)	11,736	7,121	11,188	5,565

(1) Reflects the total number of shares related to outstanding options that have been excluded from the computation of diluted earnings per share because the impact would have been anti-dilutive.

11. NONINTEREST INCOME

Huntington earns a variety of revenue including interest and fees from customers as well as revenues from non-customers. Certain sources of revenue are recognized within interest or fee income and are outside of the scope of ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”). Other sources of revenue fall within the scope of ASC 606 and are generally recognized within noninterest income. These revenues are included within various sections of the Unaudited Consolidated Financial Statements. The following table shows Huntington’s total noninterest income segregated between contracts with customers within the scope of ASC 606 and those within the scope of other GAAP Topics.

(dollar amounts in millions)	Three months ended September 30,		Nine months ended September 30,	
Noninterest income	2023	2022	2023	2022
Noninterest income from contracts with customers	$ 338	$ 345	$ 1,047	$ 975
Noninterest income within the scope of other GAAP topics	171	153	469	507
Total noninterest income	$ 509	$ 498	$ 1,516	$ 1,482

The following table illustrates the disaggregation by operating segment and major revenue stream and reconciles disaggregated revenue to segment revenue presented in Note 16 "Segment Reporting".

(dollar amounts in millions)

Major Revenue Streams	Consumer & Regional Banking	Commercial Banking	Treasury / Other	Huntington Consolidated
Three months ended September 30, 2023				
Service charges on deposit accounts	$ 78	$ 19	$ —	$ 97
Card and payment processing income	89	7	—	96
Trust and investment management services	58	4	—	62
Insurance income	29	2	—	31
Capital markets fees	2	25	(1)	26
Other noninterest income	9	18	(1)	26
Net revenue from contracts with customers	265	75	(2)	338
Noninterest income within the scope of other GAAP topics	42	81	48	171
Total noninterest income	$ 307	$ 156	$ 46	$ 509
Three months ended September 30, 2022				
Service charges on deposit accounts	$ 73	$ 20	$ —	$ 93
Card and payment processing income	84	6	—	90
Trust and investment management services	59	1	—	60
Insurance income	25	2	1	28
Capital markets fees	3	37	(2)	38
Other noninterest income	8	29	(1)	36
Net revenue from contracts with customers	252	95	(2)	345
Noninterest income within the scope of other GAAP topics	53	85	15	153
Total noninterest income	$ 305	$ 180	$ 13	$ 498
Nine months ended September 30, 2023				
Service charges on deposit accounts	$ 211	$ 56	$ —	$ 267
Card and payment processing income	258	20	—	278
Trust and investment management services	181	11	—	192
Insurance income	88	7	—	95
Capital markets fees	9	71	(1)	79
Other noninterest income	79	59	(2)	136
Net revenue from contracts with customers	826	224	(3)	1,047
Noninterest income within the scope of other GAAP topics	127	255	87	469
Total noninterest income	$ 953	$ 479	$ 84	$ 1,516
Nine months ended September 30, 2022				
Service charges on deposit accounts	$ 230	$ 65	$ —	$ 295
Card and payment processing income	242	17	—	259
Trust and investment management services	185	3	—	188
Insurance income	79	6	1	86
Capital markets fees	9	48	(2)	55
Other noninterest income	21	72	(1)	92
Net revenue from contracts with customers	766	211	(2)	975
Noninterest income within the scope of other GAAP topics	213	259	35	507
Total noninterest income	$ 979	$ 470	$ 33	$ 1,482

Huntington generally provides services for customers in which it acts as principal. Payment terms and conditions vary amongst services and customers, and thus impact the timing and amount of revenue recognition. Some fees may be paid before any service is rendered and accordingly, such fees are deferred until the obligations pertaining to those fees are satisfied. Most Huntington contracts with customers are cancelable by either party without penalty or they are short-term in nature, with a contract duration of less than one year. Accordingly, most revenue deferred for the reporting period ended September 30, 2023 is expected to be earned within one year. Huntington does not have significant balances of contract assets or contract liabilities and any change in those balances during the reporting period ended September 30, 2023 was determined to be immaterial.

12. FAIR VALUES OF ASSETS AND LIABILITIES

See Note 19 “Fair Value of Assets and Liabilities” to the Consolidated Financial Statements appearing in Huntington’s 2022 Annual Report on Form 10-K for a description of the valuation methodologies used for instruments measured at fair value. Assets and liabilities measured at fair value rarely transfer between Level 1 and Level 2 measurements. There were no such transfers during the three-month and nine-month periods ended September 30, 2023 and 2022.

Assets and Liabilities measured at fair value on a recurring basis

	Fair Value Measurements at Reporting Date Using				
(dollar amounts in millions)	Level 1	Level 2	Level 3	Netting Adjustments (1)	At September 30, 2023
Assets					
Trading account securities:					
U.S. Treasury securities	$ 90	$ —	$ —	$ —	$ 90
Municipal securities	—	20	—	—	20
Corporate debt	—	11	—	—	11
Total trading account securities	90	31	—	—	121
Available-for-sale securities:					
U.S. Treasury securities	5	—	—	—	5
Residential CMO	—	3,131	—	—	3,131
Residential MBS	—	10,916	—	—	10,916
Commercial MBS	—	1,729	—	—	1,729
Other agencies	—	159	—	—	159
Municipal securities	—	40	3,437	—	3,477
Private-label CMO	—	98	20	—	118
Asset-backed securities	—	276	75	—	351
Corporate debt	—	1,973	—	—	1,973
Other securities/sovereign debt	—	4	—	—	4
Total available-for-sale securities	5	18,326	3,532	—	21,863
Other securities	29	1	—	—	30
Loans held for sale	—	601	—	—	601
Loans held for investment	—	122	53	—	175
MSRs	—	—	547	—	547
Other assets:					
Derivative assets	—	2,383	4	(1,923)	464
Assets held in trust for deferred compensation plans	161	—	—	—	161
Liabilities					
Derivative liabilities	—	2,232	5	(1,160)	1,077

(dollar amounts in millions)	Fair Value Measurements at Reporting Date Using Level 1	Level 2	Level 3	Netting Adjustments (1)	At December 31, 2022
Assets					
Trading account securities:					
Municipal securities	$ —	$ 19	$ —	$ —	$ 19
Available-for-sale securities:					
U.S. Treasury securities	103	—	—	—	103
Residential CMOs	—	2,914	—	—	2,914
Residential MBS	—	12,263	—	—	12,263
Commercial MBS	—	1,953	—	—	1,953
Other agencies	—	182	—	—	182
Municipal securities	—	42	3,248	—	3,290
Private-label CMO	—	108	20	—	128
Asset-backed securities	—	298	74	—	372
Corporate debt	—	2,214	—	—	2,214
Other securities/sovereign debt	—	4	—	—	4
Total available-for-sale securities	103	19,978	3,342	—	23,423
Other securities	31	1	—	—	32
Loans held for sale	—	520	—	—	520
Loans held for investment	—	169	16	—	185
MSRs	—	—	494	—	494
Other assets:					
Derivative assets	—	2,161	3	(1,808)	356
Assets held in trust for deferred compensation plans	155	—	—	—	155
Liabilities					
Derivative liabilities	—	2,332	5	(1,345)	992

(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 following tables present a rollforward of the balance sheet amounts measured at fair value 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.

(dollar amounts in millions)	Level 3 Fair Value Measurements					
			Available-for-sale securities			
	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Loans held for investment
Three months ended September 30, 2023						
Opening balance	$ 505	$ (2)	$ 3,496	$ 20	$ 75	$ 33
Transfers into Level 3	—	—	—	—	—	21
Transfers out of Level 3 (1)	—	(8)	—	—	—	—
Total gains/losses for the period:						
Included in earnings:						
Mortgage banking income	37	9	—	—	—	—
Interest and fee income	—	—	(2)	—	—	(3)
Included in OCI	—	—	17	—	—	—
Purchases/originations	18	—	160	—	—	—
Repayments	—	—	—	—	—	2
Settlements	(13)	—	(234)	—	—	—
Closing balance	$ 547	$ (1)	$ 3,437	$ 20	$ 75	$ 53
Change in unrealized gains or losses for the period included in earnings for assets held at end of the reporting date	$ 37	$ (3)	$ —	$ —	$ —	$ —
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	—	—	12	—	—	—
Three months ended September 30, 2022						
Opening balance	$ 463	$ (5)	$ 3,377	$ 22	$ 44	$ 17
Transfers out of Level 3 (1)	—	(6)	—	—	—	—
Total gains/losses for the period:						
Included in earnings:						
Mortgage banking income	17	2	—	—	—	—
Included in OCI	—	—	(66)	—	—	—
Purchases/originations	20	—	309	—	26	—
Repayments	—	—	—	—	—	(1)
Settlements	(14)	—	(288)	(1)	—	—
Closing balance	$ 486	$ (9)	$ 3,332	$ 21	$ 70	$ 16
Change in unrealized gains or losses for the period included in earnings for assets held at end of the reporting date	$ 17	$ (8)	$ —	$ —	$ —	$ —
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	—	—	(69)	—	(1)	—

(1) Transfers out of Level 3 represent the settlement value of the derivative instruments (i.e., interest rate lock agreements) that are transferred to loans held for sale, which is classified as Level 2.

	Level 3 Fair Value Measurements					
			Available-for-sale securities			
(dollar amounts in millions)	MSRs	Derivative instruments	Municipal securities	Private- label CMO	Asset-backed securities	Loans held for investment
Nine months ended September 30, 2023						
Opening balance	$ 494	$ (2)	$ 3,248	$ 20	$ 74	$ 16
Transfers into Level 3	—	—	—	—	—	40
Transfers out of Level 3 (1)	—	(18)	—	—	—	—
Total gains/losses for the period:						
Included in earnings:						
Mortgage banking income	40	19	—	—	—	—
Interest and fee income	—	—	(2)	(1)	—	(3)
Included in OCI	—	—	13	—	1	—
Purchases/originations	49	—	715	1	—	—
Settlements	(36)	—	(537)	—	—	—
Closing balance	$ 547	$ (1)	$ 3,437	$ 20	$ 75	$ 53
Change in unrealized gains or losses for the period included in earnings for assets held at end of the reporting date	$ 40	$ 1	$ —	$ —	$ —	$ —
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	—	—	2	—	—	—
Nine months ended September 30, 2022						
Opening balance	$ 351	$ 4	$ 3,477	$ 20	$ 71	$ 19
Transfers out of Level 3 (1)	—	(6)	—	—	—	—
Total gains/losses for the period:						
Included in earnings						
Mortgage banking income	112	(7)	—	—	—	—
Interest and fee income	—	—	(2)	(2)	—	—
Provision for credit losses	—	—	(4)	—	—	—
Included in OCI	—	—	(274)	—	(1)	—
Purchases/originations	68	—	867	4	26	—
Repayments	—	—	—	—	—	(3)
Settlements	(45)	—	(732)	(1)	(26)	—
Closing balance	$ 486	$ (9)	$ 3,332	$ 21	$ 70	$ 16
Change in unrealized gains or losses for the period included in earnings for assets held at end of the reporting date	$ 112	$ (17)	$ —	$ —	$ —	$ —
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	—	—	(274)	—	(1)	—

(1) Transfers out of Level 3 represent the settlement value of the derivative instruments (i.e., interest rate lock agreements) that are transferred to loans held for sale, which is classified as Level 2.

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:

	Total Loans			Loans that are 90 or more days past due		
(dollar amounts in millions)	Fair value carrying amount	Aggregate unpaid principal	Difference	Fair value carrying amount	Aggregate unpaid principal	Difference
At September 30, 2023						
Loans held for sale	$ 601	$ 598	$ 3	$ —	$ —	$ —
Loans held for investment	175	185	(10)	3	3	—
At December 31, 2022						
Loans held for sale	$ 520	$ 513	$ 7	$ —	$ —	$ —
Loans held for investment	185	190	(5)	11	11	—

The following table presents the net gains (losses) from fair value changes.

	Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions)	2023	2022	2023	2022
Loans held for sale (1)	$ (4)	$ (22)	$ (4)	$ (56)
Loans held for investment	(2)	—	(5)	1

(1) The net gains (losses) from fair value changes are included in Mortgage banking income on the Unaudited Consolidated Statements of Income.

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. The amounts presented represent the fair value on the various measurement dates throughout the period. The gains (losses) represent the amounts recorded during the period regardless of whether the asset is still held at period end.

The amounts measured at fair value on a nonrecurring basis were as follows:

	Fair Value Measurements Using Significant Other Unobservable Inputs (Level 3)		Total Losses			
			Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions)	At September 30, 2023	At December 31, 2022	2023	2022	2023	2022
Collateral-dependent loans	$ 24	$ 16	$ 6	$ —	$ 13	$ (1)
Loans held for sale	—	—	—	1	—	1

Huntington records nonrecurring adjustments of collateral-dependent loans held for investment. 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. Periodically, in cases where the carrying value exceeds the fair value of the collateral less cost to sell, an impairment charge is recognized in the form of a charge-off.

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:

Quantitative Information about Level 3 Fair Value Measurements						
			At September 30, 2023 (1)		At December 31, 2022 (1)	
(dollar amounts in millions)	Valuation Technique	Significant Unobservable Input	Range	Weighted Average	Range	Weighted Average
Measured at fair value on a recurring basis:						
MSRs	Discounted cash flow	Constant prepayment rate	4 % - 33 %	7 %	5 % - 40 %	7 %
		Spread over forward interest rate swap rates	5 % - 13 %	6 %	5 % - 13 %	6 %
Municipal securities and asset-backed securities	Discounted cash flow	Discount rate	5 % - 6 %	6 %	5 % - 5 %	5 %
		Cumulative default	— % - 64 %	7 %	— % - 64 %	7 %
		Loss given default	20 % - 20 %	20 %	20 % - 20 %	20 %

(1) Certain disclosures related to quantitative level 3 fair value measurements do not include those deemed to be immaterial.

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.

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.

Fair values of financial instruments

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 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, interest-bearing deposits at the Federal Reserve Bank, and federal funds sold. 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.

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 servicing rights and relationship intangibles are not considered financial instruments and are not included in following tables. Accordingly, this fair value information is not intended to, and does not, represent Huntington's underlying value.

The following table provides the carrying amounts and estimated fair values of Huntington's financial instruments:

(dollar amounts in millions)	Amortized Cost	Lower of Cost or Market	Fair Value or Fair Value Option	Total Carrying Amount	Estimated Fair Value
At September 30, 2023					
Financial Assets					
Cash and short-term assets	$ 11,693	$ —	$ —	$ 11,693	$ 11,693
Trading account securities	—	—	121	121	121
Available-for-sale securities	—	—	21,863	21,863	21,863
Held-to-maturity securities	16,148	—	—	16,148	13,309
Other securities	688	—	30	718	718
Loans held for sale	—	2	601	603	603
Net loans and leases (1)	118,470	—	175	118,645	114,540
Derivative assets	—	—	464	464	464
Assets held in trust for deferred compensation plans	—	—	161	161	161
Financial Liabilities					
Deposits	148,867	—	—	148,867	148,771
Short-term borrowings	681	—	—	681	681
Long-term debt	12,822	—	—	12,822	12,584
Derivative liabilities	—	—	1,077	1,077	1,077
At December 31, 2022					
Financial Assets					
Cash and short-term assets	$ 6,918	$ —	$ —	$ 6,918	$ 6,918
Trading account securities	—	—	19	19	19
Available-for-sale securities	—	—	23,423	23,423	23,423
Held-to-maturity securities	17,052	—	—	17,052	14,754
Other securities	822	—	32	854	854
Loans held for sale	—	9	520	529	529
Net loans and leases (1)	117,217	—	185	117,402	112,591
Derivative assets	—	—	356	356	356
Assets held in trust for deferred compensation plans	—	—	155	155	155
Financial Liabilities					
Deposits	147,914	—	—	147,914	147,796
Short-term borrowings	2,027	—	—	2,027	2,027
Long-term debt	9,686	—	—	9,686	9,564
Derivative liabilities	—	—	992	992	992

(1) Includes collateral-dependent loans.

The following table presents the level in the fair value hierarchy for the estimated fair values at September 30, 2023 and December 31, 2022:

(dollar amounts in millions)	Estimated Fair Value Measurements at Reporting Date Using: Level 1	Level 2	Level 3	Netting Adjustments (1)	Presented Balance
At September 30, 2023					
Financial Assets					
Trading account securities	$ 90	$ 31	$ —		$ 121
Available-for-sale securities	5	18,326	3,532		21,863
Held-to-maturity securities	—	13,309	—		13,309
Other securities (2)	29	1	—		30
Loans held for sale	—	603	—		603
Net loans and leases	—	122	114,418		114,540
Derivative assets	—	2,383	4	$ (1,923)	464
Financial Liabilities					
Deposits	—	134,529	14,242		148,771
Short-term borrowings	—	681	—		681
Long-term debt	—	9,275	3,309		12,584
Derivative liabilities	—	2,232	5	(1,160)	1,077
At December 31, 2022					
Financial Assets					
Trading account securities	$ —	$ 19	$ —		$ 19
Available-for-sale securities	103	19,978	3,342		23,423
Held-to-maturity securities	—	14,754	—		14,754
Other securities (2)	31	1	—		32
Loans held for sale	—	520	9		529
Net loans and leases	—	169	112,422		112,591
Derivative assets	—	2,161	3	$ (1,808)	356
Financial Liabilities					
Deposits	—	142,081	5,715		147,796
Short-term borrowings	—	2,027	—		2,027
Long-term debt	—	8,680	884		9,564
Derivative liabilities	—	2,332	5	(1,345)	992

(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.
(2) Excludes securities without readily determinable fair values.

13. DERIVATIVE FINANCIAL INSTRUMENTS

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

Derivative financial instruments can be designated as accounting hedges under GAAP. Designating a derivative as an accounting hedge allows Huntington to recognize gains and losses on the hedging instruments in the income statement line item where the gains and losses on the hedged item are recognized. Gains and losses on derivatives that are not designated in an effective hedge relationship under GAAP immediately impact earnings within the period they occur.

The following table presents the fair values and notional values of all derivative instruments included in the Unaudited Consolidated Balance Sheets at September 30, 2023 and December 31, 2022. Amounts in the table below are presented gross without the impact of any net collateral arrangements.

	At September 30, 2023			At December 31, 2022		
(dollar amounts in millions)	Notional Value	Asset	Liability	Notional Value	Asset	Liability
Derivatives designated as Hedging Instruments						
Interest rate contracts	$ 36,962	$ 1,089	$ 981	$ 42,461	$ 1,008	$ 1,145
Foreign exchange contracts	216	—	—	202	2	—
Derivatives not designated as Hedging Instruments						
Interest rate contracts	57,539	1,182	1,135	37,562	968	1,008
Foreign exchange contracts	4,654	65	50	4,889	68	68
Commodities contracts	688	51	49	762	114	113
Equity contracts	682	—	22	636	4	3
Total contracts	$ 100,741	$ 2,387	$ 2,237	$ 86,512	$ 2,164	$ 2,337

The following table presents the amount of gain or loss recognized in income for derivatives not designated as hedging instruments under ASC Subtopic 815-10 in the Unaudited Consolidated Income Statement for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively.

		Amount of Gain or (Loss) Recognized in Income on Derivative			
		Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions)	Location of Gain or (Loss) Recognized in Income on Derivative	2023	2022	2023	2022
Interest rate contracts:					
Customer	Capital markets fees	$ 6	$ 12	$ 23	$ 37
Mortgage banking	Mortgage banking income	(37)	—	(28)	(80)
Interest rate swaptions	Other noninterest income	33	—	50	—
Foreign exchange contracts	Capital markets fees	9	12	34	32
Commodities contracts	Capital markets fees	1	1	4	4
Equity contracts	Other noninterest expense	(2)	(1)	(7)	(4)
Total		$ 10	$ 24	$ 76	$ (11)

Derivatives used in asset and liability management activities

Huntington engages in balance sheet hedging activity, principally for asset and liability management purposes. Balance sheet hedging activity is generally arranged to receive hedge accounting treatment that can be classified as either fair value or cash flow hedges. Fair value hedges are executed to hedge changes in fair value of outstanding fixed-rate debt and investment securities caused by fluctuations in market interest rates. Cash flow hedges are executed to modify interest rate characteristics of designated commercial loans in order to reduce the impact of changes in future cash flows due to market interest rate changes.

The following table presents the gross notional values of derivatives used in Huntington's asset and liability management activities at September 30, 2023 and December 31, 2022, identified by the underlying interest rate-sensitive instruments.

(dollar amounts in millions)	Fair Value Hedges	Cash Flow Hedges	Economic Hedges	Total
At September 30, 2023				
Instruments associated with:				
Investment securities	$ 11,719	$ —	$ 15,450	$ 27,169
Loans	—	17,675	175	17,850
Long-term debt	7,568	—	—	7,568
Total notional value	$ 19,287	$ 17,675	$ 15,625	$ 52,587
At December 31, 2022				
Instruments associated with:				
Investment securities	$ 10,407	$ —	$ —	$ 10,407
Loans	—	24,325	175	24,500
Long-term debt	7,729	—	—	7,729
Total notional value	$ 18,136	$ 24,325	$ 175	$ 42,636

These derivative financial instruments were entered into for the purpose of managing the interest rate risk of assets and liabilities. 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. Adjustments to interest income were also recorded for the amounts related to the amortization of premiums for collars and floors that were not included in the measurement of hedge effectiveness, as well as the amounts related to terminated hedges reclassified from AOCI. The net amounts resulted in a decrease to net interest income of $62 million and an increase to net interest income of $21 million for the three-month periods ended September 30, 2023, and 2022, respectively. For the nine-month periods ended September 30, 2023, and 2022, the net amounts resulted in a decrease to net interest income of $178 million and an increase to net interest income of $108 million, respectively.

Fair Value Hedges

The changes in fair value of the fair value hedges are recorded through earnings and offset against changes in the fair value of the hedged item.

Huntington has designated $11.1 billion of interest rate swaps as fair value hedges of fixed-rate investment securities using the portfolio layer method. This approach allows the Company to designate as the hedged item a stated amount of the assets that are not expected to be affected by prepayments, defaults and other factors affecting the timing and amount of cash flows. The fair value portfolio level basis adjustment on our hedged mortgage-backed securities portfolio has not been attributed to the individual available-for-sale securities in our Unaudited Consolidated Statements of Financial Condition. Huntington has also designated $662 million of interest rate swaps as fair value hedges of fixed-rate corporate bonds.

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 nine-month periods ended September 30, 2023 and 2022.

	Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions)	2023	2022	2023	2022
Interest rate contracts				
Change in fair value of interest rate swaps hedging investment securities (1)	$ 88	$ 340	$ 44	$ 926
Change in fair value of hedged investment securities (1)	(87)	(324)	(45)	(914)
Change in fair value of interest rate swaps hedging long-term debt (2)	(87)	(178)	(109)	(314)
Change in fair value of hedged long term debt (2)	87	178	109	315

(1) Recognized in Interest income—available-for-sale securities—taxable in the Unaudited Consolidated Statements of Income.
(2) Recognized in Interest expense—long-term debt in the Unaudited Consolidated Statements of Income.

As of September 30, 2023 and December 31, 2022, the following amounts were recorded on the balance sheet related to cumulative basis adjustments for fair value hedges.

	Amortized Cost		Cumulative Amount of Fair Value Hedging Adjustment To Hedged Items	
(dollar amounts in millions)	At September 30, 2023	At December 31, 2022	At September 30, 2023	At December 31, 2022
Assets				
Investment securities (1)	$ 18,291	$ 18,029	$ (1,024)	$ (979)
Liabilities				
Long-term debt (2)	7,134	7,175	(365)	(256)

(1) Amounts include the amortized cost basis of closed portfolios used to designate hedging relationships under the portfolio layer method. The hedged item is a layer of the closed portfolio which is expected to be remaining at the end of the hedging relationship. As of September 30, 2023, the amortized cost basis of the closed portfolios used in these hedging relationships was $17.7 billion, the cumulative basis adjustments associated with these hedging relationships was $916 million, and the amounts of the designated hedging instruments were $11.1 billion.

(2) Excluded from the above table are the cumulative amount of fair value hedge adjustments remaining for long-term debt for which hedge accounting has been discontinued in the amounts of $(71) million at September 30, 2023 and $(70) million at December 31, 2022.

Cash Flow Hedges

At September 30, 2023, Huntington has $17.7 billion of interest rate swaps, swaption collars, and floors. These are designated as cash flow hedges for variable rate commercial loans. The change in the fair value of a derivative instrument designated as a cash flow hedge is initially recognized in OCI and is reclassified into income when the hedged item impacts earnings. The initial premium paid for the interest rate collar and floor contracts represents the time value of the contracts and is not included in the measurement of hedge effectiveness. The initial premium paid is amortized on a straight line basis as a reduction to interest income over the contractual life of these contracts.

At September 30, 2023, the net losses recognized in AOCI that are expected to be reclassified into earnings within the next 12 months were $261 million.

Economic Hedges

At September 30, 2023, Huntington has $15.5 billion of interest rate swaptions to reduce the impact on capital from rising rates. These swaptions are economic hedges of interest rate risk attributable to our investment securities with the change in value of these instruments recorded in other noninterest income.

Derivatives used in mortgage banking activities

Mortgage loan origination hedging activity

Huntington's mortgage origination hedging activity is related to economically hedging Huntington's mortgage pricing commitments to customers and the secondary sale to third parties. The value of a newly originated mortgage is not firm until the interest rate is committed or locked. Forward commitments to sell economically hedge the possible loss on interest rate lock commitments due to interest rate change. The position of these derivatives at September 30, 2023 and December 31, 2022 were a net asset of $12 million and a net liability of $3 million, respectively. At September 30, 2023 and December 31, 2022, Huntington had commitments to sell residential real estate loans of $893 million and $766 million, respectively. These contracts mature in less than one year.

MSR hedging activity

Huntington's MSR economic hedging activity uses securities and derivatives to manage the value of the MSR asset and to mitigate the various types of risk inherent in the MSR asset, including risks related to duration, basis, convexity, volatility, and yield curve. The hedging instruments include forward commitments, TBA securities, Treasury futures contracts, interest rate swaps, and options on interest rate swaps.

MSR hedging trading assets and liabilities are included in other assets and other liabilities, respectively, in the Unaudited Balance Sheets. Trading gains (losses) are included in mortgage banking income in the Unaudited Consolidated Statement of Income. The notional value of the derivative financial instruments, the corresponding trading assets and liabilities positions, and net trading gains (losses) related to MSR hedging activity is summarized in the following tables:

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
Notional value	$ 1,200	$ 1,120
Trading assets	1	4
Trading liabilities	(102)	(78)

	Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions)	2023	2022	2023	2022
Trading losses	$ (37)	$ (25)	$ (43)	$ (105)

Derivatives used in customer related 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 consist of commodity, interest rate, and foreign exchange contracts. Huntington enters 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.

The interest rate or price risk of 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. Commodity derivatives help the customer hedge risk and reduce exposure to fluctuations in the price of various commodities. Hedging of energy-related products and base metals comprise the majority of these transactions.

The net fair values of these derivative financial instruments, for which the gross amounts are included in other assets or other liabilities at both September 30, 2023 and December 31, 2022, were $61 million and $59 million, respectively. The total notional values of derivative financial instruments used by Huntington on behalf of customers, including offsetting derivatives, were $44.6 billion and $40.7 billion at September 30, 2023 and December 31, 2022, respectively. Huntington's credit risk from customer derivatives was $64 million and $118 million at the same dates, respectively.

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

Huntington records derivatives at fair value as further described in Note 12 "Fair Values of Assets and Liabilities".

Derivative balances are presented on a net basis taking into consideration the effects of legally enforceable master netting agreements. Additionally, 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 collateral and master netting agreements with these counterparties, and routinely exchanges cash and high quality securities collateral. 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 enters into master netting agreements with customer counterparties; however, collateral is generally not exchanged with customer counterparties.

In addition to the customer derivative credit exposure, aggregate credit risk associated with broker-dealer and bank derivative transactions was net credit risk of $359 million and $227 million at September 30, 2023 and December 31, 2022, respectively. The net credit risk associated with derivatives is calculated after considering master netting agreements and is reduced by collateral that has been pledged by the counterparty.

At September 30, 2023, Huntington pledged $207 million of investment securities and cash collateral to counterparties, while other counterparties pledged $1.1 billion 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 Consolidated Balance Sheets at September 30, 2023 and December 31, 2022.

Offsetting of Financial Assets and Derivative Assets

				Gross amounts not offset in the unaudited consolidated balance sheets		
(dollar amounts in millions)	Gross amounts of recognized assets	Gross amounts offset in the unaudited consolidated balance sheets	Net amounts of assets presented in the unaudited consolidated balance sheets	Financial instruments	Cash collateral received	Net amount
At September 30, 2023	$ 2,387	$ (1,923)	$ 464	$ (267)	$ (12)	$ 185
At December 31, 2022	2,164	(1,808)	356	(7)	(56)	293

Offsetting of Financial Liabilities and Derivative Liabilities

				Gross amounts not offset in the unaudited consolidated balance sheets		
(dollar amounts in millions)	Gross amounts of recognized liabilities	Gross amounts offset in the unaudited consolidated balance sheets	Net amounts of liabilities presented in the unaudited consolidated balance sheets	Financial instruments	Cash collateral delivered	Net amount
At September 30, 2023	$ 2,237	$ (1,160)	$ 1,077	$ —	$ (114)	$ 963
At December 31, 2022	2,337	(1,345)	992	(79)	(118)	795

14. VARIABLE INTEREST ENTITIES

Unconsolidated VIEs

The following tables provide a summary of the assets and liabilities included in Huntington’s Unaudited 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 in, but is not the primary beneficiary, of the VIE at September 30, 2023, and December 31, 2022:

	At September 30, 2023		
(dollar amounts in millions)	Total Assets	Total Liabilities	Maximum Exposure to Loss
Affordable Housing Tax Credit Partnerships	$ 2,231	$ 1,309	$ 2,231
Trust Preferred Securities	14	248	—
Other Investments	777	136	777
Total	$ 3,022	$ 1,693	$ 3,008

	At December 31, 2022		
(dollar amounts in millions)	Total Assets	Total Liabilities	Maximum Exposure to Loss
Affordable Housing Tax Credit Partnerships	$ 2,036	$ 1,260	$ 2,036
Trust Preferred Securities	14	248	—
Other Investments	522	141	522
Total	$ 2,572	$ 1,649	$ 2,558

Affordable Housing Tax Credit Partnerships

Huntington makes certain equity investments in various limited partnerships that sponsor affordable housing projects utilizing the 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 uses the proportional amortization method to account for a majority of its investments in these entities. These investments are included in other assets. Investments that do not meet the requirements of the proportional amortization method are accounted for using the equity method. Investment losses are included in Other noninterest income in the Unaudited Consolidated Statements of Income.

The following table presents the balances of Huntington's affordable housing tax credit investments and related unfunded commitments at September 30, 2023 and December 31, 2022.

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
Affordable housing tax credit investments	$ 3,229	$ 2,891
Less: amortization	(998)	(855)
Net affordable housing tax credit investments	$ 2,231	$ 2,036
Unfunded commitments	$ 1,309	$ 1,260

The following table presents other information relating to Huntington's affordable housing tax credit investments for the three-month and nine-month periods ended September 30, 2023 and 2022.

	Three months ended September 30,		Nine months ended September 30,	
(dollar amounts in millions)	2023	2022	2023	2022
Tax credits and other tax benefits recognized	$ 66	$ 52	$ 197	$ 159
Proportional amortization expense included in provision for income taxes	55	45	164	131

There were no sales of affordable housing tax credit investments during the three-month and nine-month periods ended September 30, 2023 and 2022. There was no impairment recognized for the three-month and nine-month periods ended September 30, 2023 and 2022.

Trust-Preferred Securities

Huntington has certain wholly-owned trusts whose assets, liabilities, equity, income, and expenses are not included within Huntington's Unaudited 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 Consolidated Balance Sheet as long-term debt. The trust securities are the obligations of the trusts, and as such, are not consolidated within Huntington's Unaudited Consolidated Financial Statements.

Other investments

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

15. 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 Consolidated Financial Statements. The contract amounts of these financial agreements at September 30, 2023 and December 31, 2022, were as follows:

(dollar amounts in millions)	At September 30, 2023	At December 31, 2022
Contract amount representing credit risk		
Commitments to extend credit:		
Commercial	$ 32,426	$ 32,500
Consumer	19,598	19,064
Commercial real estate	2,816	3,393
Standby letters of credit and guarantees on industrial revenue bonds	761	714
Commercial letters of credit	10	15

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. Collateral to secure any funding of these commitments predominately consists of residential and commercial real estate mortgage loans.

Standby letters-of-credit and guarantees on industrial revenue bonds 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. Since the conditions under which Huntington is required to fund these commitments may not materialize, the cash requirements are expected to be less than the total outstanding commitments. The carrying amount of deferred revenue associated with these guarantees was $13 million and $27 million at September 30, 2023 and December 31, 2022, respectively.

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 secure these instruments.

Litigation and Regulatory Matters

In the ordinary course of business, Huntington is routinely a defendant in or party to pending and threatened legal and regulatory actions and proceedings.

In view of the inherent difficulty of predicting the outcome of such matters, particularly where the claimants seek very large or indeterminate damages or where the matters present novel legal theories or involve a large number of parties, Huntington generally cannot predict what the eventual outcome of the pending matters will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines or penalties related to each matter may be.

Huntington establishes an accrued liability when those matters present loss contingencies that are both probable and estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. Huntington thereafter continues to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established.

For certain matters, Huntington is able to estimate a range of possible loss. In cases in which Huntington possesses information to estimate a range of possible loss, that estimate is aggregated and disclosed below. There may be other matters for which a loss is probable or reasonably possible but such an estimate of the range of possible loss may not be possible. For those matters where an estimate of the range of possible loss is possible, management currently estimates the aggregate range of reasonably possible loss is $0 to $20 million at September 30, 2023 in excess of the accrued liability (if any) related to those matters. This estimated range of possible loss is based upon currently available information and is subject to significant judgment, a variety of assumptions, and known and unknown uncertainties. The matters underlying the estimated range will change from time to time, and actual results may vary significantly from the current estimate. The estimated range of possible loss does not represent Huntington's maximum loss exposure.

Based on current knowledge, management does not believe that loss contingencies arising from pending matters will have a material adverse effect on the consolidated financial position of Huntington. Further, management believes that amounts accrued are adequate to address Huntington's contingent liabilities. However, in light of the inherent uncertainties involved in these matters, some of which are beyond Huntington's control, and the large or indeterminate damages sought in some of these matters, an adverse outcome in one or more of these matters could be material to Huntington's results of operations for any particular reporting period.

Following the failure of several financial institutions in the first half of 2023, the FDIC issued a notice of proposed rulemaking in May 2023 that would implement a special assessment to recover the cost associated with protecting uninsured depositors as part of those financial institution failures. We continue to monitor the status of the proposed special assessment and the impact to our future operating results. We expect to record the impact when the final rule is enacted.

16. SEGMENT REPORTING

Huntington's business segments are based on our internally-aligned segment leadership structure, which is how management monitors results and assesses performance. The Company has two business segments: Consumer & Regional Banking and Commercial Banking. The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense. See Note 1 "Basis of Presentation" for a description of the changes made during the second quarter 2023. Prior period results have been adjusted to conform to the new segment presentation.

Consumer & Regional Banking - Consumer & Regional Banking offers a comprehensive set of digitally powered consumer and business financial solutions to Consumer Lending, Regional Banking, Branch Banking, and Wealth Management customers. The Consumer & Regional Banking segment provides a wide array of financial products and services to consumer and business customers including, but not limited to, deposits, lending, payments, mortgage banking, dealer financing, investment management, trust, brokerage, insurance, and other financial products and services. We serve our customers through our network of channels, including branches, online banking, mobile banking, telephone banking, and ATMs.

Commercial Banking - The Commercial Banking segment provides expertise through bankers, capabilities, and digital channels, and includes a comprehensive set of product offerings. Our target clients span from mid-market to large corporates across a national footprint. The Commercial Banking segment leverages internal partnerships for wealth management, trust, insurance, payments, and treasury management capabilities. In particular, our payments capabilities continue to expand as we develop unique solutions for our diverse client segments, including Huntington ChoicePay. This segment includes customers in Middle Market Banking, Corporate, Specialty, and Government Banking, Asset Finance, Commercial Real Estate Banking, and Capital Markets.

Listed in the following tables is certain operating basis financial information reconciled to Huntington's September 30, 2023, December 31, 2022, and September 30, 2022, reported results by business segment.

Income Statements *(dollar amounts in millions)*	Consumer & Regional Banking	Commercial Banking	Treasury / Other	Huntington Consolidated
Three months ended September 30, 2023				
Net interest income (loss)	$ 1,211	$ 582	$ (425)	$ 1,368
Provision for credit losses	82	17	—	99
Noninterest income	307	156	46	509
Noninterest expense	764	278	48	1,090
Provision (benefit) for income taxes	141	93	(98)	136
Income attributable to non-controlling interest	—	5	—	5
Net income (loss) attributable to Huntington	$ 531	$ 345	$ (329)	$ 547
Three months ended September 30, 2022				
Net interest income	$ 896	$ 490	$ 18	$ 1,404
Provision for credit losses	22	84	—	106
Noninterest income	305	180	13	498
Noninterest expense	726	270	57	1,053
Provision (benefit) for income taxes	94	67	(15)	146
Income attributable to non-controlling interest	—	3	—	3
Net income (loss) attributable to Huntington	$ 359	$ 246	$ (11)	$ 594
Nine months ended September 30, 2023				
Net interest income (loss)	$ 3,569	$ 1,722	$ (1,168)	$ 4,123
Provision for credit losses	192	84	—	276
Noninterest income	953	479	84	1,516
Noninterest expense	2,283	830	113	3,226
Provision (benefit) for income taxes	430	270	(286)	414
Income attributable to non-controlling interest	—	15	—	15
Net income (loss) attributable to Huntington	$ 1,617	$ 1,002	$ (911)	$ 1,708
Nine months ended September 30, 2022				
Net interest income	$ 2,237	$ 1,327	$ 247	$ 3,811
Provision for credit losses	189	9	—	198
Noninterest income	979	470	33	1,482
Noninterest expense	2,179	763	182	3,124
Provision (benefit) for income taxes	178	215	(22)	371
Income attributable to non-controlling interest	—	7	—	7
Net income attributable to Huntington	$ 670	$ 803	$ 120	$ 1,593

	Assets at		Deposits at	
(dollar amounts in millions)	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Consumer & Regional Banking	$ 72,192	$ 70,268	$ 108,182	$ 105,064
Commercial Banking	63,473	63,611	36,023	36,807
Treasury / Other	50,985	49,027	4,662	6,043
Total	$ 186,650	$ 182,906	$ 148,867	$ 147,914

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 2022 Annual Report on 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 (the Exchange Act), 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 September 30, 2023. Based upon such evaluation, Huntington's Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2023, Huntington's disclosure controls and procedures were effective.

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2023, that have materially affected, or are reasonably likely to materially affect, internal control 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 15 "Commitments and Contingent Liabilities" of the Notes to Unaudited Consolidated Financial Statements under the caption "Litigation and Regulatory Matters" and is incorporated into this Item by reference.

Item 1A: Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in our 2022 Annual Report on Form 10-K, which could materially affect our business, financial condition, or results of operations.

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	Maximum Number of Shares (or Approximate Dollar Value) that May Yet Be Purchased Under the Plans or Programs (1)
July 1, 2023 to July 31, 2023	—	$ —	$ 1,000,000,000
August 1, 2023 to August 31, 2023	—	—	1,000,000,000
September 1, 2023 to September 30, 2023	—	—	1,000,000,000
Total	—	$ —	

(1) The number shown represents, as of the end of each period, the approximate dollar value of Common Stock that may yet be purchased under publicly-announced share repurchase authorizations. The shares may be purchased, from time-to-time, depending on market conditions.

Item 5. Other Information

Trading Plans

During the three months ended September 30, 2023, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Table of Contents

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.

The SEC 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 free of charge 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 10004.

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference
3.1	Articles Supplementary of Huntington Bancshares Incorporated, as of January 18, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.1
3.2	Articles of Restatement of Huntington Bancshares Incorporated, as of January 18, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.2
3.3	Articles Supplementary of Huntington Bancshares Incorporated, as of May 28, 2020.	Current Report on Form 8-K dated May 28, 2020.	001-34073	3.1
3.4	Articles Supplementary of Huntington Bancshares Incorporated, as of August 5, 2020.	Current Report on Form 8-K dated August 10, 2020.	001-34073	3.1
3.5	Bylaws of Huntington Bancshares Incorporated, as amended and restated on January 16, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.3
3.6	Articles Supplementary of Huntington Bancshares Incorporated, as of February 5, 2021	Current Report on Form 8-K dated February 5, 2021.	001-34073	3.1
3.7	Articles Supplementary of Huntington Bancshares Incorporated, as of June 8, 2021	Current Report on Form 8-K dated June 8, 2021	001-34073	3.1
3.8	Articles of Amendment of Huntington Bancshares Incorporated to Articles of Restatement of Huntington Bancshares Incorporated, as of June 8, 2021	Current Report on Form 8-K dated June 8, 2021	001-34073	3.2
3.9	Articles Supplementary of Huntington Bancshares Incorporated, as of March 3, 2023.	Current Report on Form 8-K dated March 2, 2023	001-34073	3.1
3.10	Bylaws of Huntington Bancshares Incorporated, as amended and restated on July 19, 2023.	Current Report on Form 8-K dated July 21, 2023	001-34073	3.2
4.1(P)	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	Separation Agreement dated August 7, 2023, by and between The Huntington National Bank and Sandra E. Pierce.			
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.INS	***The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document			
101.SCH	*Inline XBRL Taxonomy Extension Schema Document			
101.CAL	*Inline XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF	*Inline XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB	*Inline XBRL Taxonomy Extension Label Linkbase Document			
101.PRE	*Inline XBRL Taxonomy Extension Presentation Linkbase Document			
104	*Cover Page Interactive Data File (formatted as Inline XBRL and contained within Exhibit 101 attachments)			

* Filed herewith

** Furnished herewith

*** The following material from Huntington's Form 10-Q Report for the quarterly period ended September 30, 2023 formatted in Inline XBRL: (1) Unaudited Consolidated Balance Sheets, (2) Unaudited Consolidated Statements of Income, (3) Unaudited Consolidated Statements of Comprehensive Income (4) Unaudited Consolidated Statement of Changes in Shareholders' Equity, (5) Unaudited Consolidated Statements of Cash Flows, and (6) the Notes to Unaudited Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: October 27, 2023	/s/ Stephen D. Steinour Stephen D. Steinour Chairman, President, and Chief Executive Officer (Principal Executive Officer)
Date: October 27, 2023	/s/ Zachary Wasserman Zachary Wasserman Chief Financial Officer (Principal Financial Officer)

Rajeev Syal
Senior Executive Vice President
Chief Human Resources Officer
rajeev.syal@huntington.com

Huntington Bancshares Incorporated
41 South High Street - HC1033
Columbus, OH 43287
614.480.5461 OFFICE

August 7, 2023

VIA EMAIL DELIVERY

Sandra E. Pierce

Re: Transition and Separation from Service

Dear Sandy:

On behalf of Huntington Bancshares Incorporated (together with its affiliates, the "Company"), I want to thank you for your many contributions and years of service to the Company. This letter agreement (this "Letter Agreement") sets forth the terms of your transition and separation from employment with the Company.

1. TRANSITION PERIOD AND SEPARATION DATE

From the date hereof through December 31, 2023 (the "Separation Date"), you will continue with the title of Senior Executive Vice President of the Company serving as Chair of Michigan and provide such services as may be reasonably requested Steve Steinour, Chairman, President, and CEO of the company. The period from the date hereof through the Separation Date will be referred to herein as the "Transition Period."

During the Transition Period, you will continue to be eligible to receive compensation and benefits on the same basis as applies to you prior to the date hereof, except you will not be granted any additional equity incentive awards.

Effective as of the Separation Date, your service as an employee of the Company in all capacities, including any director positions you may hold with the Company, will automatically terminate. You agree that no further action is required by you or the Company to effectuate the terminations provided for in this paragraph effective, but you nonetheless agree to execute any documentation the Company requests at the time to confirm it.

2. SEVERANCE BENEFITS

In connection with your termination of employment, and in consideration for (i) your service to the Company and its affiliates through the Separation Date, (ii) your compliance with the terms of this Letter Agreement and all other restrictive covenants applicable to you, and (iii) your satisfaction of the requirement to sign the Confidential Enhanced Transition Agreement, Release, and Waiver of All Claims substantially in the form attached hereto as **Exhibit A** (the "Release Agreement") on or following the Separation Date, and your non-revocation of the Release Agreement prior to its becoming effective and irrevocable within the time period set forth therein (the "Release Requirement"), you shall be eligible for Enhanced Transition Pay under the Company's Transition Pay Plan, as amended, and the other certain severance benefits as set forth under the heading "Severance Benefits" on the Schedule of Entitlements attached to the Release Agreement (collectively, the " Severance Benefits"). You understand that if the Release Requirement is not satisfied, you will not be eligible to receive the Severance Benefits. The Company agrees and acknowledges that, unless your employment is terminated by the Company for Cause (as defined in the Company's Amended and Restated 2018 Long-Term Incentive Plan), your termination of employment on the Separation Date will be treated and qualified as a "Normal Retirement" for purposes of your outstanding equity and equity-based awards with respect to shares of the Company's common stock (the "Equity Award Treatment").

The Severance Benefits and the Equity Award Treatment shall be in full satisfaction of the obligations of the Company and its affiliates to you under this Letter Agreement, the Transition Pay Plan and any other plan, agreement, policy or arrangement of the Company and its affiliates upon your termination of employment, including the Executive Agreement between you and the Company, dated August 16, 2016 (the " Executive Agreement"), and the Retention Letter between you and the Company, dated June 9, 2016 (the "Retention Letter"), other than any vested benefits (including your benefit under the FirstMerit SERP and the Retention Amount as provided in the Retention Letter) and other rights to which you may be entitled under any other Company employee benefit plan by reason of your employment with the Company that cannot legally be waived. Except as otherwise required by applicable law, your participation under any Company employee benefit plans and programs will cease as of the Separation Date, and your rights under any such plan or program shall be governed by the terms and conditions of those plans and programs, which plans, programs, terms and conditions may be amended, modified, suspended or terminated by the Company at any time for any or no reason to the extent permitted by law. In no event shall you be entitled to severance pay or termination benefits beyond the Severance Benefits and the Equity Award Treatment.

Nothing in this Letter Agreement shall prohibit the Company from terminating your employment prior to the Separation Date for Cause or you from voluntarily terminating your employment prior to the Separation Date; provided that, in each such case, you shall be eligible only for any accrued but unpaid annual base salary due for the period you worked to the extent not theretofore paid, any business expenses incurred by you in accordance with the applicable Company policy that have not been reimbursed by the Company as of your termination date and any other vested benefits or other rights to which you may be entitled under any other Company employee benefit plan by reason of your employment with the Company that cannot legally be waived, and which are not otherwise subject to forfeiture upon a termination for Cause.

3. RESTRICTIVE COVENANTS

You acknowledge and agree that the confidentiality, non-solicitation and non-competition covenants contained in the Retention Letter (as modified by the Release Agreement), the covenants applicable to you pursuant to the terms of the applicable equity award agreements between you and the Company, and any policies or rights of the Company that continue to apply following termination of service, including any clawback or recoupment policy or rights, will remain in full force and effect in accordance with their terms, and your rights under this Letter Agreement to the Severance Benefits and to the Equity Vesting are subject to and conditioned upon compliance therewith. You further acknowledge and agree that your continued compliance with such restrictive covenants survive your termination of employment and are a condition to the right to receive or continue to receive such payments and benefits, and that a violation by you of any such covenants would cause irreparable damage to the Company in an amount that would be material but not readily ascertainable, and that any remedy at law (including the payment of damages) would be inadequate. Accordingly, you agree that, notwithstanding any provision of this Letter Agreement, the Retention Letter, the Release Agreement, the equity award agreements or any other agreements or policies to the contrary, in addition to any other damages the Company is able to show, in the event you violate any of the covenants referenced in this Section 3, the Company shall be entitled (without the necessity of showing economic loss or other actual damage) to (i) cease payment, vesting or settlement, as applicable, of the Severance Benefits and the Equity Award Vesting to the extent not previously paid or provided, (ii) the prompt return by you of any portion of such compensation and the value of such benefits previously paid or provided (including forfeiture of any equity incentive awards that vested or the repayment of the value of any equity incentive awards that vested and have been exercised or settled, as applicable), and (iii) injunctive relief (including temporary restraining orders, preliminary injunctions and permanent injunctions), without posting a bond, in any court of competent jurisdiction for any actual or threatened breach of any of the covenants referenced in this Section 3 in addition to any other legal or equitable remedies it may have.

4. MISCELLANEOUS

As of the Separation Date (or your earlier termination of employment for any reason), you shall deliver to the Company (or, if requested by any member of the Company, destroy) all property made available to you in connection with your employment by the Company, including, without limitation, any and all records, manuals, customer lists, notebooks, cellphones, electronic devices, computers, computer programs, credit cards, and files, papers, electronically stored information and documents kept or made by you in connection with your employment.

This Letter Agreement and the Release Agreement set forth the entire agreement and understanding between you and the Company with respect to your transition and separation and supersedes any prior discussions with respect thereto. The first four paragraphs of Section 8 of the Retention Letter are incorporated herein by reference, with any such modifications as are necessary to reflect appropriately the incorporation into this Letter Agreement. From and after the date hereof, the Executive Agreement will terminate and be of no further force or effect.

This Letter Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio, without reference to its conflict of law rules. This Letter Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which together will constitute one document. A facsimile or scanned (e.g., .PDF, .GIF, etc.) signature shall be deemed to be an original. IN WITNESS WHEREOF, each of you and the Company has executed this Letter Agreement as of the date(s) set forth below.

/s/ Sandra E. Pierce
Sandra E. Pierce
Date: August 9, 2023

HUNTINGTON BANCSHARES INCORPORATED

By: /s/ Raj Syal
Raj Syal

Chief Human Resources Officer
Date: August 7, 2023

[Signature Page to Transition Letter Agreement]

Exhibit A
CONFIDENTIAL ENHANCED TRANSITION AGREEMENT,
RELEASE, AND WAIVER OF ALL CLAIMS

This Enhanced Transition Agreement, Release, and Waiver of All Claims (hereinafter "Agreement") is being executed by and between Huntington Bancshares Incorporated and its past, present and future parent and subsidiary entities, corporations, predecessors, successors, affiliates and assigns (hereinafter individually and collectively "Huntington") and Sandra E. Pierce, including her heirs, estate, executors, administrators, successors, assigns, and other personal representatives (hereinafter "Executive"). Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Transition Letter Agreement with Huntington dated as of August 7, 2023 (the "Letter Agreement").

BACKGROUND INFORMATION

A. Executive's employment with Huntington has been identified for termination due to organizational restructuring and consequent position elimination, and at no fault of the Executive, Executive is a "displaced employee" under Huntington's Transition Pay Plan.

B. As a "displaced employee," Executive is eligible to receive Enhanced Transition Pay under Huntington's Transition Pay Plan.

C. Enhanced Transition Pay is only available under Huntington's Transition Pay Plan to those displaced employees who sign an Enhanced Transition Agreement, Release, and Waiver of All Claims.

D. Huntington and Executive mutually agree that Executive's employment with Huntington will terminate on the Separation Date. Executive's employment termination is not part of a group termination program and is the result of factors unique to Executive.

STATEMENT OF AGREEMENT

The parties to this Agreement acknowledge the accuracy of the above Background Information and agree as follows:

1. Payment to Executive. In exchange for Executive's agreement and adherence to Executive's obligation under this Agreement and the Letter Agreement, Huntington agrees to pay or provide the severance and other benefits (in each case, minus all applicable and required taxes, deductions, and withholdings) as set forth on the Schedule of Entitlements attached as Annex A hereto, at the times set forth therein.

Executive acknowledges and agrees that except as set forth in this Agreement, Executive will not be entitled to receive, and Huntington will not be obligated to make, any other payment to Executive related to employment with, compensation by, and separation from Huntington, except for accrued but unpaid annual base salary due for the period Executive worked to the extent not theretofore paid, any business expenses incurred by Executive in accordance with the applicable Huntington policy that have not been reimbursed by Huntington as of Executive's termination date and any other vested benefits or other rights to which Executive may be entitled under any other Huntington employee benefit plan by reason of Executive's employment with Huntington that cannot legally be waived.

Executive expressly acknowledges that, but for this Agreement, Executive would not otherwise be entitled to the amounts set forth under the heading "Severance Benefits" on the Schedule of Entitlements attached as Annex A hereto in this Agreement (hereinafter "Severance

Benefits") and that the Severance Benefits are sufficient consideration for Executive's release and waiver of claims and the other obligations that Executive has agreed to undertake in this Agreement.

2. Repayment Requirements. Huntington may cease any remaining payments due under this Agreement and require Executive to repay any Severance Benefits (other than Basic Transition Pay) already paid to Executive if Executive has: (a) perpetrated an act of fraud, self-dealing, dishonesty, misappropriation, intentional unlawful conduct, or criminal conduct adverse to Huntington; (b) disrupted or interfered with or attempted to disrupt or interfere with Huntington's business or business relationships, or maligned, defamed, or otherwise disparaged Huntington, its subsidiaries, or the officers, managers or agents of Huntington or its subsidiaries; (c) materially breached any of Executive's obligations under Paragraphs 6, 8, 9, 10 and/or 16 of this Agreement; or (d) made or published, orally, in writing, or via computer, any false statement of a material nature concerning Huntington, any of its subsidiaries, or any of its current or past officers, directors, employees, or customers.

3. COBRA. If Executive is currently participating in any Huntington group health insurance plans, information regarding Executive's right to elect COBRA continuation coverage with the option to elect based on the same plan coverage Executive had as of Executive's Separation Date, at Executive's sole expense, will be sent to Executive via separate letter.

4. Release of Huntington by Executive. In exchange for the benefits set forth above, the adequacy and sufficiency of which Executive expressly acknowledges, and all other consideration related to same, Executive **RELEASES, WAIVES, REMISES, AND FOREVER DISCHARGES** Huntington, as defined in this Agreement and, for purposes of this Paragraph, as further defined to include all of Huntington's past, present, and future assigns, predecessors, successors, affiliates, parent and subsidiary organizations, divisions and corporations, acquired or merged entities, officers, directors, shareholders, employees, and agents of the same, as well as their heirs, executors, administrators, successors, assigns, and other personal representatives, individually and in their respective corporate and personal capacities (all hereinafter referred to in this Paragraph as "Released Parties"), from all claims, demands, administrative charges, complaints, legal rights, compensation, obligation, actions, interests, debts, liabilities, damages, costs, attorneys' fees and expenses, or causes of action of whatever type or nature, whether legal, equitable, or administrative, whether known or unknown, which Executive may now have against the Released Parties, either individually, jointly, or severally, based upon acts or omissions that have occurred from the beginning of time to the effective date of this Agreement, including without limitation, those arising out of, or in any way related, directly or indirectly, to Executive's employment with, compensation by or termination from Huntington under any possible legal, equitable, tort, contract, or statutory or public policy theory, including but not limited to any and all claims arising under Title VII of the Civil Rights Act of 1964, as amended, the Equal Pay Act of 1963, the Employee Retirement Income Security Act ("ERISA") (other than the ERISA provisions that cannot be waived under the law), the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Fair Pay Act of 2009, the Occupational Safety and Health Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Comprehensive Omnibus Budget Reconciliation Act, the Michigan Elliott-Larsen Civil Rights Act, the Michigan Persons with Disabilities Civil Rights Act, the Michigan Wage and Fringe Benefits Act, the Michigan Whistleblower's Protection Act and all federal, state or local laws, rules, regulations, orders, or common law principles governing, regulating, or affecting the rights or obligations of employers and employees, as well as all similar, comparable, or additional state statutes, local statutes, ordinances, and common law principles including, without limitation, claims for discrimination, harassment, hostile work environment, retaliation, breach of contract, violation of public policy, personal injury, and intentional infliction of emotional distress.

To the greatest extent permitted by law, and to the extent that Executive has not already done so in a previous agreement, Executive waives any right or ability to be a class or collective-action representative or to otherwise participate in any putative or certified class, collective, or multi-party action or proceeding based on such a claim in which Huntington or any other Released Party identified in this Agreement is a party.

This release and waiver does not apply to claims arising after the effective date of this Agreement or to any previously vested rights Executive may have (i) to the payments and benefits set forth on Annex A hereto, which Executive agrees is an accurate and complete representation of the entitlements payable to Executive under this Agreement, the Transition Letter, the Retention Letter and the applicable equity award agreements, (ii) under Huntington's medical, dental, and/or vision insurance plans, (iii) any rights under the terms of any qualified retirement plans covering Executive, (iv) any claims for workers' compensation benefits, (v) accrued but unpaid annual base salary due for the period Executive worked to the extent not theretofore paid and any business expenses incurred by Executive in accordance with the applicable Huntington policy that have not been reimbursed by Huntington as of Executive's termination date, and (vi) rights of indemnification (and advancement of expenses) or to directors' and officers' insurance coverage to the extent applicable to Executive pursuant to Huntington's bylaws, articles supplementary or other plans, policies or arrangements. This release does not apply to any claims that Executive may not, by law, release through an agreement such as this. Further, this release does not prohibit Executive from filing a complaint or charge with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agency"), nor does this Agreement limit any rights Executive may have under the Speak Out Act. While this Agreement does not limit the Executive's right to receive an award for information provided to any Government Agency, Executive does forever waive the right to any claims for money damages and equitable relief pursuant to the filing or prosecution of any administrative charge against Huntington or any resulting civil proceeding or lawsuit that may be commenced on Executive's behalf for the recovery of such relief, and which arises out of the matters that are and may be released in this Agreement.

5. Executive Representations. Executive specifically represents, warrants, and confirms that, up to and including the final pay received from Huntington following Executive's separation of employment and for which Executive received documentation to reflect the amounts to be paid prior to separation, Executive has received pay on a salary basis without improper deductions.

6. Confidential and Proprietary Information. Executive expressly agrees and acknowledges Executive's continuing obligation to maintain the confidentiality of proprietary information gained during employment with Huntington, as set forth in the applicable equity award agreements between Executive and Huntington.

7. Non-Admission. This Agreement is made and accepted under Huntington's Transition Pay Plan. Neither Huntington or the Executive will consider, deem or suggest that anything in this Agreement constitutes an admission of liability, wrongdoing or fault.

8. Confidentiality. Executive agrees to keep the terms and conditions of this Agreement strictly confidential. Additionally, Executive agrees not to disclose or permit disclosure of any information concerning this Agreement to any other person, commercial or non-profit entity, and/or any print, radio or television news media, including any commercial or non-profit newspaper, publication or broadcast, of any kind whatsoever, except: (a) as required by court order, but only after first notifying and discussing such order with Huntington; (b) as necessary for tax planning and/or preparation or to respond to inquiries or audits by a federal,

state, or local taxing authority; (c) as evidence in any subsequent legal proceeding in which either party alleges a breach of this Agreement; or (d) to Executive's legal counsel and immediate family. Nothing in this Agreement prohibits Executive from reporting possible violations of federal or state law or regulation to any Government Agency, or any agency Inspector General, or otherwise limits Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted with any Government Agency, including providing documents or other information, without notice to Huntington or from making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation.

9. Continuing Obligations. Executive acknowledges and agrees that the confidentiality, non-solicitation and non-competition covenants contained in the Retention Letter and the covenants applicable to Executive pursuant to the terms of the applicable equity award agreements between Executive and Huntington remain in full force and effect in accordance with their terms; provided, however, that as consideration for the Bonus Severance and 2023 Bonus, each of which Executive agrees and acknowledges Executive is not otherwise entitled to or eligible for in accordance with the terms of the Transition Pay Plan, the applicable incentive plan or any other Huntington plan, policy, arrangement or agreement, Executive agrees that the non-solicitation and non-competition periods under the Retention Letter apply for a period of one year after the Separation Date. Executive's rights to the Severance Benefits (other than the Basic Transition Pay) and to the Equity Vesting are subject to and conditioned upon compliance with such restrictive covenants. Executive further acknowledges and agrees that Executive's continued compliance with such restrictive covenants that survive Executive's termination of employment are a condition to the right to receive or continue to receive such payments and benefits, and that a violation by Executive of any such covenants would cause irreparable damage to Huntington in an amount that would be material but not readily ascertainable, and that any remedy at law (including the payment of damages) would be inadequate. Accordingly, you agree that, notwithstanding any provision of this Release Agreement, the Letter Agreement, the Retention Letter, the equity award agreements or any other agreements or policies to the contrary, in addition to any other damages Huntington is able to show, in the event you violate any of the covenants referenced in this Paragraph 9, Huntington shall be entitled (without the necessity of showing economic loss or other actual damage) to (i) cease payment, vesting or settlement, as applicable, of the Severance Benefits (other than the Basic Transition Pay) and the Equity Award Vesting to the extent not previously paid or provided, (ii) the prompt return by Executive of any portion of such compensation and the value of such benefits previously paid or provided (including forfeiture of any equity incentive awards that vested or the repayment of the value of any equity incentive awards that vested and have been exercised or settled, as applicable), and (iii) injunctive relief (including temporary restraining orders, preliminary injunctions and permanent injunctions), without posting a bond, in any court of competent jurisdiction for any actual or threatened breach of any of the covenants referenced in this Section 8 in addition to any other legal or equitable remedies it may have.

10. Non-Disparagement. Executive agrees not to make any disparaging remarks at any time after signing this Agreement to anyone about Huntington, as defined in Paragraph 4 of this Agreement. Executive further agrees to refrain from any conduct, activity, or conversation that is intended to or does interfere with or disparage the relationships between Huntington and its employees, customers, suppliers, or others. Nothing herein is intended or shall be interpreted as limiting Executive's rights to communicate with a Government Agency, as provided for, protected under, or warranted by applicable law.

11. Complete Agreement. This Agreement, together with the Letter Agreement, the Retention Letter, any equity award grant agreements (including any amendments thereto approved by the Huntington Board of Directors), and/or any previous agreements by Executive regarding non-competition, non-disclosure of confidential information, non-solicitation of

customers, and/or non-recruitment of employees (which are incorporated into this Agreement and shall remain in full force and effect according to their terms following execution of this Agreement), contain and comprise all of the agreements and understandings between the parties. No additions, amendments, or other changes to this Agreement will be made or be binding on either party unless made in writing and signed by each party to this Agreement. No promise, inducement, or agreement not expressed herein has been made by any party to influence signing of this Agreement. The parties further agree that this Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective heirs, legal representatives, successors and assigns of the parties to this Agreement.

12. Non-Waiver. No failure by any party to insist upon strict compliance with any term of this Agreement, to exercise any option, enforce any right, or seek any remedy upon any default of the other shall affect, or constitute a waiver of, the first party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default. No custom or practice of the parties at variance with any provision of this Agreement shall affect, or constitute a waiver of, any party's right to demand strict compliance with all provisions of this Agreement.

13. Validity. If and to the extent that either Executive or Huntington breaches part or all of any provision of this Agreement, such alleged breach shall not affect the remaining provisions of this Agreement, which shall remain in full force and effect. Similarly, if, and to the extent that, any court of competent jurisdiction holds that part or all of any provision of this Agreement is invalid, such invalidity shall not affect the remaining terms of that provision or the remaining provisions of this Agreement, which shall remain in full force and effect.

14. Review of Agreement and Voluntary Execution . Executive acknowledges that this Enhanced Transition Agreement, Release, and Waiver of All Claims and its Exhibit A has been explained to Executive, that it is written in a manner that Executive understands, that in exchange for entering into this Agreement, Executive is receiving consideration of value to which Executive is not already entitled, that Executive has had at least 21 calendar days to consider whether to sign the Agreement, that Executive understands the rights Executive is releasing and waiving by signing this Agreement, that such rights and claims do not include those that may arise after Executive signs this Agreement, and that Executive has been advised by this writing to consult with an attorney prior to signing this Agreement. Executive agrees and represents that Executive has been advised of and fully understands the right to discuss all aspects of this Agreement with counsel of Executive’s choice. Executive’s signing of this Agreement establishes that Executive has sought the advice of or had sufficient opportunity to seek the advice of counsel by the date Executive signed the document, and that if Executive signs the Agreement before the end of the 21-day consideration period, Executive’s decision to shorten the 21-day consideration period was knowing and voluntary. Executive acknowledges that Executive has carefully read and fully understands all the provisions of this Agreement. Executive further acknowledges that Executive signed this Agreement with full, knowing, and voluntary agreement as to its terms and without coercion, intimidation, or pressure.

15. Revocation Period and Effective Date. Executive will have seven (7) calendar days from the date Executive signs the Agreement to change Executive’s mind and revoke the Agreement, in which case this Agreement shall be ineffective and of no legal force. Such revocation must be made in writing and sent via hand delivery, courier, facsimile, overnight delivery, or United States Mail to Rajeev Syal, Chief Human Resources Officer, The Huntington National Bank, 41 S. High Street, HC1033, Columbus, Ohio 43287 or Rajeev.Syal@huntington.com (email). To be effective, such revocation must be received by Huntington no later than 5:00 p.m. on the seventh (7th) calendar day following Executive signing this Agreement. If this Agreement is revoked, then there is no obligation on the part of Huntington to pay Executive any benefits under this Agreement, and Executive agrees to repay

to Huntington any Severance Benefits (other than Basic Transition Pay) previously provided to Executive. The date following the expiration of this revocation period will be the date on which this Agreement shall become effective, binding, and enforceable. Executive further understands agrees that if Executive signs and returns this Agreement prior to the Separation Date, Executive will provide Huntington an additional release and waiver covering the period between the date Executive signs this Agreement and the Separation Date.

16. Cooperation Agreement. Executive agrees that, if requested by Huntington, Executive will be available to consult with Huntington on business or litigation matters in which Executive was involved or had knowledge of while a Huntington employee, including providing factual affidavits upon request and sitting for depositions or other discovery related proceedings. For requests made by Huntington under this Agreement, Huntington agrees to reimburse Executive for any travel, lodging, long distance phone charges, copying charges, facsimile charges, and meal expenses that Executive may reasonably incur in providing consultation, provided Huntington has pre-approved such expenses.

17. Executive's Responsibility for Tax and Social Security Liability. Executive acknowledges and agrees that Executive is responsible for any and all of Executive's own federal, state, and local tax, FICA, and social security liabilities and consequences that may result from Executive's receipt of the payments referenced in this Agreement. Executive agrees to indemnify Huntington against any and all such liabilities or resulting consequences that may arise as a result of Executive's receipt of such payments, including assessments, judgments, fines, interests, and penalties. Executive further agrees that Huntington shall not be required to pay any further sums to Executive for any reason even if the tax and/or social security liabilities and resulting consequences to Executive are ultimately assessed in a fashion that Executive does not presently anticipate.

18. Governing Law. Any questions concerning the intent, validity, meaning or enforcement of this Agreement shall be construed and resolved according to ERISA or other applicable federal law. To the extent that ERISA or other applicable federal law does not govern the interpretation or enforcement of any terms of this Agreement, then the laws of the state of Ohio shall be applied. Executive further agrees to the United States District Court, Southern District of Ohio, Eastern District of Columbus, Ohio as the court of competent jurisdiction and venue for any actions or proceedings brought by Executive related to this Agreement, and hereby irrevocably consents to such designation, jurisdiction, and venue.

19. Counterparts. The parties also specifically agree that: (a) this Agreement may be executed in counterparts which collectively shall be one Agreement; (b) a signed photocopy or .pdf of this Agreement is effective as an original; and (c) signed emailed or scanned signatures are effective as originals.

20. Severability. If a court or other binding legal authority finds that any provision in this Agreement other than the release of claims is invalid, the invalidity will not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or applications.

21. Captions. Captions to the various sections of this Agreement are not part of the content of this Agreement but are labels to assist in locating those sections and shall be ignored in construing this Agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have signed this Enhanced Transition Agreement, Release, and Waiver of All Claims. This Agreement may be signed in duplicate or in separate counterparts, with these duplicate agreements or separately signed counterparts, taken together, forming a binding agreement on all parties.

THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ THE FOREGOING ENHANCED TRANSITION AGREEMENT, RELEASE AND WAIVER OF ALL CLAIMS, FULLY UNDERSTAND IT AND HAVE VOLUNTARILY SIGNED THIS AGREEMENT ON THE DATE INDICATED, SIGNIFYING THEREBY THEIR ASSENT TO, AND WILLINGNESS TO BE BOUND BY, ITS TERMS. THIS AGREEMENT SHOULD NOT BE EXECUTED BY EXECUTIVE BEFORE THE SEPARATION DATE.

Sandra E. Pierce

____

Date:______________________

INVALID IF SIGNED
BEFORE DECEMBER 31, 2023

Huntington Bancshares Incorporated
and its Subsidiaries

By:

Date:

[Signature Page to Enhanced Transition Agreement, Release, and Waiver of All Claim]

Annex A

Schedule of Entitlements

Severance Benefits

	Amount/Benefit	Payment Date (subject to the Release Requirement except as noted)
Basic Transition Pay	$25,000	Paid as lump sum in accordance with Huntington's regular payroll schedule (not subject to the Release Requirement)
Enhanced Transition Pay	$625,000	Paid as a lump sum within 45 days after this Agreement becomes effective, but in any event no later than on the last payroll date on or prior to March 15, 2024
Bonus Severance	$747,000	Paid in a lump sum on the date that 2024 bonuses are paid to similarly situated active Huntington employees, but in any event no later than on the last payroll date on or prior to March 15, 2025
2023 Bonus	Eligible to receive an incentive bonus payment equal to Executive's target annual bonus opportunity for 2023 multiplied by the "2023 Performance Factor" (as defined below) to be determined based on Executive's individual performance in 2023 and relative contribution to peer revenue segment leaders. The "2023 Performance Factor" is the factor (expressed as a percentage) certified by the HR & Compensation Committee of Huntington's Board of Directors based on Huntington's performance for the year ending December 31, 2023 as measured against the performance goals approved by the HR & Compensation Committee under the Management Incentive Plan (MIP) for the 2023 plan year.	Not subject to any existing deferral elections; paid in a lump sum on the date in 2024 that 2023 bonuses are paid to similarly situated active Huntington employees

Other Payments

	Amount/Benefit[1]	Payment Date
DC Account (as defined in the Retention Letter); Current balances as of 7/20/2023[2]	$3,405,859.84 243,201.496 vested Huntington shares in respect of the Retention RSU Award (as defined in the Retention Letter).	Cash amount payable from the Executive Deferred Compensation Plan in a single lump sum on the first Plan distribution date that is six months following the date on which Executive experiences a "separation from service" (within the meaning of Section 409A of the Code) (the "409A Payment Date") Vested Retention RSU Award settled in full in shares of Company common stock on the 409A Payment Date
Annual RSU/PSU Grant Deferral Elections; Current Balances as of 7/20/2023	2017-2019 PSU $884,303.92 2018-2020 PSU $830,551.07 2019-2021 PSU $773,400.76 2020-2022 PSU $1,574,890.74 2018 RSU $276,849.59 2019 RSU $257,781.82 2020 RSU $218,730.80	Annual installments commencing on the first Plan distribution date that is at least 6 months after the separation date. 2017-2019 PSU 5 Year Installment Annual 2018-2020 PSU 5 Year Installment Annual 2019-2021 PSU 5 Year Installment Annual 2020-2022 PSU 5 Year Installment Annual 2018 RSU 6 Year Installment Annual 2019 RSU 5 Year Installment Annual 2020 RSU 5 Year Installment Annual

Equity Award Treatment[3]

[1] *Reflects account balances as of 7/20/2023; actual amounts to be determined as of payment date.*
[2] *Includes both the Retention RSU Award and cash contributions deposited effective 8/16/2016 (adjusted for earnings, losses, and dividends, as appropriate based on investment elections); does not include any additional deferral elections for other compensation elements since that date.*
[3] *Terms of equity award agreements control. Continued vesting subject to compliance with Normal Retirement non-compete provision.*

Type of Award	Number of Huntington Shares Subject to Award	Treatment on Normal Retirement[4]
Stock Options	See vested status and applicable expiration date on Fidelity NetBenefits. 2017 ISO: 30,556 2017 NQ: 28,162 2018 ISO: 6,752 2018 NQ: 109,527 2019 ISO: 7,262 2019 NQ: 134,099 2020 ISO: 11,668 2020 NQ: 140,359 2021 ISO: 6,218 2021 NQ: 88,478	Continued vesting of all unvested outstanding stock options upon termination subject to compliance with the applicable non-compete provision, with all awards exercisable until the original expiration date (10 years from the original grant date).
RSUs	2020 RSU: 20,495.733 2021 RSU: 25,853.796 2022 RSU: 56,101.297 2023 RSU: 50,403.356	Continued vesting of PSUs post-termination subject to compliance with the applicable non-compete provision with PSUs ultimately vesting based on final performance as certified by the HR & Compensation Committee. Continued vesting of RSUs post-termination subject to compliance with applicable non-compete provision. 2023 RSU and 2023 PSU subject to prorated vesting if the Normal Retirement date occurs before 12/31/23, in accordance with award agreements.
PSUs	2021 PSU: 51,708.717 2022 PSU: 56,101.303 2023 PSU: 50,403.356	

[4] *RSUs and PSUs subject to additional dividend reinvestment until vesting 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: October 27, 2023

/s/ Stephen D. Steinour
Stephen D. Steinour
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Zachary Wasserman, 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: October 27, 2023

/s/ Zachary Wasserman
Zachary Wasserman
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 months ended September 30, 2023, 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), as applicable, 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
October 27, 2023

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 months ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Zachary Wasserman, 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), as applicable, 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/ Zachary Wasserman
Zachary Wasserman
Chief Financial Officer
October 27, 2023

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

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2022

Commission File Number 1-34073

Huntington Bancshares Incorporated

(Exact name of registrant as specified in its charter)

Maryland			**31-0724920**
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
41 South High Street	**Columbus,**	**Ohio**	**43287**
(Address of principal executive offices)			(Zip Code)

Registrant's telephone number, including area code (614) 480-2265

Securities registered pursuant to Section 12(b) of the Act:

Title of class	Trading Symbol(s)	Name of exchange on which registered
Depositary Shares (each representing a 1/40th interest in a share of 4.500% Series H Non-Cumulative, perpetual preferred stock)	HBANP	NASDAQ
Depositary Shares (each representing a 1/1000th interest in a share of 5.70% Series I Non-Cumulative, perpetual preferred stock)	HBANM	NASDAQ
Common Stock—Par Value $0.01 per Share	HBAN	NASDAQ

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☒ No

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 (or for such shorter period that the registrant was required to file such reports), 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 every Interactive Data File required to be submitted 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 such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act)

☐ Yes ☒ No

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2022, determined by using a per share closing price of $12.03, as quoted by Nasdaq on that date, was $17,092,209,908. As of January 31, 2023, there were1,443,016,884 shares of common stock with a par value of $0.01 outstanding.

Documents Incorporated By Reference

Part III of this Form 10-K incorporates by reference certain information from the registrant’s definitive Proxy Statement for the 2023 Annual Shareholders’ Meeting.

HUNTINGTON BANCSHARES INCORPORATED
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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:

ACL	Allowance for Credit Losses
AFS	Available-for-Sale
ALCO	Asset-Liability Management Committee
ALLL	Allowance for Loan and Lease Losses
AML	Anti-Money Laundering
AOCI	Accumulated Other Comprehensive Income
ASC	Accounting Standards Codification
ATM	Automated Teller Machine
AULC	Allowance for Unfunded Lending Commitments
Bank Secrecy Act	Financial Recordkeeping and Reporting of Currency and Foreign Transactions Act of 1970
Basel III	Refers to the final rule issued by the Federal Reserve and OCC and published in the Federal Register on October 11, 2013
BHC	Bank Holding Company
BHC Act	Bank Holding Company Act of 1956
Capstone Partners	Capstone Enterprises LLC
CARES Act	Coronavirus Aid, Relief, and Economic Security Act, as amended
C&I	Commercial and Industrial
CCAR	Comprehensive Capital Analysis and Review
CCB	Capital Conservation Buffer
CCPA	California Consumer Privacy Act of 2018
CDs	Certificates of Deposit
CDI	Core Deposit Intangible
CECL	Current Expected Credit Losses
CET1	Common equity tier 1 on a transitional Basel III basis
CFPB	Bureau of Consumer Financial Protection
CISA	Cybersecurity Information Sharing Act
CMO	Collateralized Mortgage Obligations
COVID-19	Coronavirus Disease 2019
CPPA	California Privacy Protection Act
CPRA	California Privacy Rights Act
CRA	Community Reinvestment Act
CRE	Commercial Real Estate
DEI	Diversity, Equity, and Inclusion
DIF	Deposit Insurance Fund
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
EAD	Exposure at Default
Economic Growth Act	Economic Growth, Regulatory Relief and Consumer Protection Act
ELT	Executive Leadership Team
EPS	Earnings Per Share
ESG	Environmental, Social, and Governance
EVE	Economic Value of Equity
FASB	Financial Accounting Standards Board

FCRA	Fair Credit Reporting Act
FDIA	Federal Deposit Insurance Act
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FHC	Financial Holding Company
FHLB	Federal Home Loan Bank
FICO	Fair Isaac Corporation
FinCEN	Financial Crimes Enforcement Network
FINRA	Financial Industry Regulatory Authority, Inc.
FRG	Financial Recovery Group
FTE	Fully-Taxable Equivalent or Full-Time Equivalent
FTP	Funds Transfer Pricing
FVO	Fair Value Option
GAAP	Generally Accepted Accounting Principles in the United States of America
GDP	Gross Domestic Product
GLBA	Gramm-Leach-Bliley Act
HIC	Huntington Investment Company
HMDA	Home Mortgage Disclosure Act
HPI	House Price Index
HTM	Held-to-Maturity
IRS	Internal Revenue Service
Last-of-Layer	Last-of-layer is a fair value hedge of the interest rate risk of a portfolio of similar prepayable assets whereby the last dollar amount within the portfolio of assets is identified as the hedged item
LCR	Liquidity Coverage Ratio
LFI Rating System	Large Financial Institution Rating System
LGD	Loss Given Default
LIBOR	London Interbank Offered Rate
LIHTC	Low Income Housing Tax Credit
LTV	Loan-to-Value
MBS	Mortgage-Backed Securities
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations
MSA	Metropolitan Statistical Area
MSR	Mortgage Servicing Right
NAICS	North American Industry Classification System
NALs	Nonaccrual Loans
NCO	Net Charge-off
NII	Net Interest Income
NIM	Net Interest Margin
NM	Not Meaningful
NPAs	Nonperforming Assets
OCC	Office of the Comptroller of the Currency
OCI	Other Comprehensive Income (Loss)
OCR	Optimal Customer Relationship
OFAC	Office of Foreign Assets Control
OLEM	Other Loans Especially Mentioned
OPEC	Organization of the Petroleum Exporting Countries
OREO	Other Real Estate Owned

Patriot Act	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001
PCAOB	Public Company Accounting Oversight Board
PCD	Purchased Credit Deteriorated
PD	Probability of Default
Plan	Huntington Bancshares Retirement Plan
PPP	Paycheck Protection Program
Problem Loans	Includes nonaccrual loans and leases, accruing loans and leases past due 90 days or more, troubled debt restructured loans, and criticized commercial loans
Capital and Liquidity Tailoring Rule	Refers to the changes to applicability thresholds for regulatory and capital and liquidity requirements, issued by the OCC, the Federal Reserve, and the FDIC
EPS Tailoring Rule	Refers to Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding, issued by the Federal Reserve
Tailoring Rules	Refers to the Capital and Liquidity Tailoring Rule and the EPS Tailoring Rule
RBHPCG	Regional Banking and The Huntington Private Client Group
REIT	Real Estate Investment Trust
Riegle-Neal Act	The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994
ROC	Risk Oversight Committee
RWA	Risk-Weighted Assets
SBA	Small Business Administration
SCB	Stress Capital Buffer
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
TCF	TCF Financial Corporation
TDR	Troubled Debt Restructuring
Torana	Digital Payments Torana, Inc.
U.S. Treasury	U.S. Department of the Treasury
UPB	Unpaid Principal Balance
VIE	Variable Interest Entity
XBRL	eXtensible Business Reporting Language

Huntington Bancshares Incorporated

PART I

When we refer to “Huntington,” “we,” “our,” “us,” and “the Company” 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 1: Business

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 are committed to making people’s lives better, helping businesses thrive, and strengthening the communities we serve and have over 150 years of servicing the financial needs of our customers. Through our subsidiaries, we provide full-service commercial and consumer deposit, lending, and other banking services. This includes, but not limited to, payments, mortgage banking, automobile, recreational vehicle and marine financing, investment banking, capital markets, advisory, equipment financing, distribution finance (formerly referred to as inventory finance), investment management, trust, brokerage, insurance and other financial products and services. As of December 31, 2022, our 1,032 full-service branches and private client group offices are primarily located in Ohio, Colorado, Illinois, Indiana, Kentucky, Michigan, Minnesota, Pennsylvania, West Virginia, and Wisconsin. Select financial services and other activities are also conducted in other states.

On June 9, 2021, Huntington closed the acquisition of TCF Financial Corporation in an all-stock transaction valued at $7.2 billion. TCF was a financial holding company headquartered in Detroit, Michigan with operations across the Midwest. The acquisition brought increased scale and market density, as well as added new markets and capabilities. Historical periods prior to June 9, 2021 reflect results of legacy Huntington operations. Subsequent to closing, results reflect all post-acquisition activity. For further information, refer to Note 3 “Business Combinations” of the Notes to the Condensed Consolidated Financial Statements.

In May 2022, Huntington completed the acquisition of Torana, now known as Huntington Choice Pay, a digital payments business focused on business to consumer payments. This acquisition along with the formation of our enterprise-wide payments group reflects one of our strategic priorities to accelerate our payments capabilities and expand the services provided to our customers.

In June 2022, Huntington completed the acquisition of Capstone Partners, a top tier middle market investment bank and advisory firm. The transaction brings a national scale to serve middle market business owners throughout the corporate lifecycle, building on Huntington’s regional banking foundation. Capstone Partners related revenue, including mergers and acquisitions, capital raising and other advisory-related fees, is recognized within capital markets fees in the Consolidated Statements of Income. For further information, refer to Note 3 “Business Combinations” of the Notes to the Condensed Consolidated Financial Statements.

Our business segments are based on our internally-aligned segment leadership structure, which is how we monitor results and assess performance. For each of our four business segments, we expect the combination of our business model, investment in products and capabilities, and exceptional service to provide a competitive advantage that supports revenue and earnings growth. Our business model emphasizes the delivery of a complete set of banking products and services offered by larger banks but distinguished by local delivery and customer service.

A key strategic emphasis has been for our business segments to operate in cooperation to provide products and services to our customers and to build stronger and more profitable relationships using our OCR sales and service process, which align to our vision to be the leading people-first, digitally powered bank. The objectives of OCR are to:

- Use a consultative and advisory sales approach to provide solutions that are specific to each customer.
- Leverage each business segment in terms of its products and expertise to benefit customers.
- Develop prospects who may want to have multiple products and services as part of their relationship with us.

Following is a description of our four business segments and the Treasury / Other function:

- **Commercial Banking:** The Commercial Banking segment provides expertise through bankers, capabilities, and digital channels, and includes a comprehensive set of product offerings. Our target clients span from mid-market to large corporate (greater than $2 billion in revenue) across a national footprint. The Commercial Banking segment leverages internal partnerships for wealth management, trust, insurance, payments, and treasury management capabilities. The segment is divided into five business units: (1) Middle Market Banking, (2) Corporate, Specialty, and Government Banking, (3) Asset Finance, (4) Commercial Real Estate Banking, and (5) Capital Markets.

  Middle Market Banking serves the banking needs of mid-sized clients (greater than $20 million in revenue) who reside in our geographic footprint. We leverage our local presence to serve our clients, extending our full suite of banking products including lending, liquidity, treasury management, and capital markets.

  Corporate, Specialty, and Government Banking serves medium to large enterprises. We focus on specific industry verticals such as government and non-profits, healthcare, technology and telecommunications, franchises, financial sponsors, and global services. Our expertise in these markets allows us to uniquely serve our clients' sophisticated banking, capital markets, and payments requirements.

  Asset Finance serves our clients' capital expenditure and working capital needs through equipment financing, asset-based lending, distribution finance, structured lending, and municipal financing solutions. Our relationship with large manufacturers is bolstered by a strong commitment to their dealers and financing needs.

  Commercial Real Estate Banking provides banking solutions to commercial real estate developers and institutional sponsors across the nation. Within this group, Huntington Community Development improves the quality of life for our communities and the residents of low-to-moderate income neighborhoods by developing and delivering innovative products and services to support affordable housing and neighborhood stabilization.

  Capital Markets delivers corporate risk management, institutional sales and trading, capital and equity raising and advisory services to all Commercial Banking clients.

- **Consumer and Business Banking:** The Consumer and Business Banking segment provides a wide array of financial products and services to consumer and small business customers including, but not limited to, checking accounts, savings accounts, money market accounts, CDs, investments, consumer loans, credit cards, and small business loans. The Consumer and Business Banking segment leverages internal partnerships for mortgages, insurance, interest rate risk protection, foreign exchange, and treasury management. Huntington serves customers through our network of channels, including branches, online banking, mobile banking, telephone banking, and ATMs.

  We have a "Fair Play" banking philosophy: providing differentiated products and services, built on a strong foundation of customer friendly products and advocacy. Our brand resonates with consumers and businesses, helping us acquire new customers and deepen relationships with current customers. Our Fair Play banking suite of products includes 24-Hour Grace®, Asterisk-Free Checking®, Money Scout℠, $50 Safety Zone℠, Standby Cash®, Early Pay, Instant Access, The Hub, and Huntington Heads Up®.

  Business Banking is a dynamic part of our business, and we are committed to being the bank of choice for businesses in our markets. Business Banking is defined as serving companies with annual revenues up to $20 million. Beyond conventional lending solutions, Huntington offers access to capital markets, treasury management, practice finance and SBA lending capabilities. We are the #1 SBA lender in the nation in units as of federal fiscal year end September 30, 2022. Huntington continues to develop products and services that are designed specifically to meet the needs of small business and look for ways to help companies find solutions to their financing needs.

Consumer Payments and Lending provides consumer and small business credit and debit cards primarily to our deposit customers as well as unsecured personal loans, personal lines, and other direct secured loans. The products are distributed through both branch and online channels. The product suite is aimed at meeting our customers' borrowing and transacting needs. The team continues to explore ways to innovate and continue to meet the evolving and rapidly changing payment needs of customers.

Through Consumer and Business Banking, we originate consumer loans and mortgages for customers who are generally located in our primary banking markets. Consumer and mortgage lending products are primarily distributed through the Consumer and Business Banking and RBHPCG segments, as well as through commissioned loan originators. Consumer and Business Banking earns interest on portfolio loans and loans held-for-sale, earns fee income from the origination and servicing of mortgage loans, and recognizes gains or losses from the sale of mortgage loans. Consumer and Business Banking supports the origination of mortgage loans across all segments.

- **Vehicle Finance:** Our products and services include providing financing to consumers for the purchase of automobiles, light-duty trucks, recreational vehicles, marine craft, and powersports at franchised and other select dealerships, and providing financing to franchised dealerships for the acquisition of new and used inventory. Products and services are delivered through highly specialized relationship-focused bankers and product partners. Huntington creates well-defined relationship plans which identify needs where solutions are developed and customer commitments are obtained.

  The Vehicle Finance team services automobile dealerships, their owners, and consumers buying automobiles through these franchised dealerships. Huntington has provided new and used automobile financing and dealer services throughout the Midwest since the early 1950s. This consistency in the market and our focus on working with strong dealerships has allowed us to expand into select markets outside of the Midwest and to actively deepen relationships in 30 states while building a strong reputation. Huntington also provides financing for the purchase by consumers of recreational vehicles and marine craft on an indirect basis through dealerships in 35 states and for the purchase of powersports on an indirect basis through dealerships in 17 states.

- **Regional Banking and The Huntington Private Client Group:** Regional Banking and The Huntington Private Client Group is closely aligned with our regional banking markets. A fundamental point of differentiation is our commitment to be actively engaged within our local markets - building connections with community and business leaders and offering a uniquely personal experience delivered by colleagues working within those markets.

  The core business of The Huntington Private Client Group is The Huntington Private Bank, which consists of Private Banking, Wealth & Investment Management, and Retirement Plan Services. The Huntington Private Bank provides high net-worth customers with deposit, lending (including specialized lending options), and other banking services. The Huntington Private Bank also delivers wealth management and legacy planning through investment and portfolio management, fiduciary administration, and trust services. This group also provides retirement plan services to corporate businesses. The Huntington Private Client Group also provides corporate trust services and institutional and mutual fund custody services.

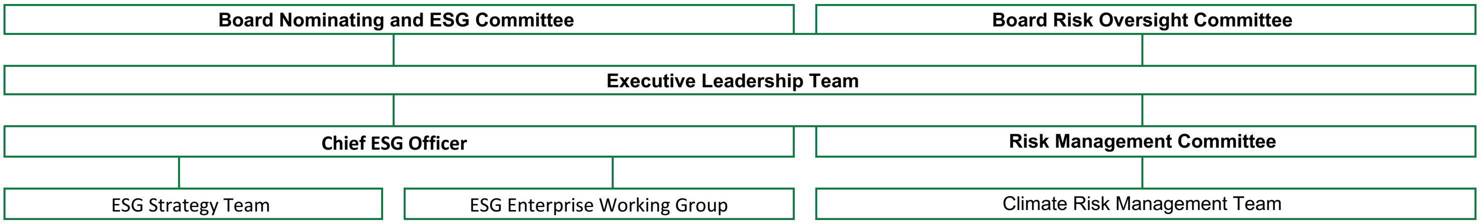
- **Treasury / Other:** The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

The financial results for each of these business segments are included in Note 25 - "Segment Reporting" of Notes to Consolidated Financial Statements and are discussed in the "Business Segment Discussion" of our MD&A.

ESG

ESG Oversight

With oversight from our Board of Directors, we are committed to implementing strong ESG practices by living out our Purpose of making people's lives better, helping businesses thrive, and strengthening the communities we serve. The following represents how ESG is governed and integrated throughout the Company:



ESG Strategy Team

The ESG Strategy Team, led by our Chief ESG Officer, is responsible for advancing the ESG strategy and facilitating implementation of the strategy at the segment- and business unit-level; ensuring consistent understanding of ESG strategy throughout the Company; and assisting with ESG goal setting, reporting, and monitoring. The Team also works to identify ESG-related innovation and advancement opportunities aligned with strategic planning for the enterprise. This group includes executive leaders across business segments and support units and meets regularly throughout the year.

ESG Enterprise Working Group

The ESG Enterprise Working Group is primarily responsible for driving the overarching ESG strategy for the Company and making strategy recommendations to the Board; reporting ESG strategy, goals, and progress to the Board (typically on a quarterly basis); and publishing our various ESG disclosures, including the annual ESG Report. The ESG Working Group is comprised of a core, cross-functional group with representatives from our ESG, Investor Relations, Public Affairs, Legal, Corporate Communications, and Corporate Governance functions. To keep abreast of matters throughout the year, this group typically meets on a weekly basis.

Climate Risk Management Team

The Climate Risk Management Team, led by our Climate Risk Director, is responsible for overseeing the development and maintenance of a comprehensive program to identify, measure, monitor, control, and report climate-related risks at Huntington.

Economic

Our economic impact begins with a commitment to delivering sustainable, long-term shareholder value through financial performance, while maintaining an aggregate moderate-to-low, through-the-cycle risk appetite and a well-capitalized position. We align our corporate strategy to our purpose of helping others and building upon our market-leading, purpose-driven bank through focused efforts on the environmental, social and governance issues most important to our business and our stakeholders.

Following the acquisition of TCF, in June 2021, we committed $40 billion toward a Community Plan to strengthen small businesses and foster economic justice through our footprint over the next five years. The Community Plan builds on the goals of our previous community plans, with expanded commitments focusing on increasing lending and services to address economic, social, environmental, and racial equity areas of need as follows:

- Huntington committed to providing $24 billion in affordable housing financing and consumer lending.
- Huntington expanded its Small Business lending programs into its new footprint and committed $10 billion to the programs.
- Huntington committed $6.5 billion in loans and investments to establish programs and services that foster equity in areas such as affordable housing, small business financing, and community services.
- Embedded in the areas of need above is a $16 billion commitment for Diversity, Equity, and Inclusion initiatives, with allocation of funds to diverse borrowers and communities to advance systemic change.

Huntington has additionally developed a Lift Local Business® program, and made a commitment of $100 million, which supports minority-, woman-, and veteran-owned small businesses throughout the business life cycle. This program offers loans, business planning support, free financial education courses delivered through Operation HOPE, and other services to help small business owners achieve their goals.

Environmental

Huntington is committed to environmental stewardship. Our environmental strategy outlines our holistic approach to enhancing our environmental performance and reducing our carbon footprint. We demonstrate our commitment and transparency through our disclosures to CDP, a global initiative that allows us to track and submit data annually toward managing our carbon footprint and certain other aspects of our environmental impact, in addition to our reporting to the Task Force on Climate-Related Financial Disclosures framework.

In 2022, we appointed our first Chief ESG Officer, bringing focused leadership to all matters related to ESG. We have met and exceeded our target year 2022 goals we announced in 2017 to reduce our operational (Scope 1 and Scope 2) emissions, reduce our landfill waste, paper printing, and water consumption. We have also committed to shifting 50% of our electricity usage to renewable sources by 2035. In addition, we are developing an exploratory roadmap for achieving a net zero carbon future and are focused on understanding and analyzing the magnitude of our value chain emissions (Scope 3). We joined the Partnership for Carbon Accounting Financials, which will enable us to measure and assess emissions associated with our loans and investments.

Human Capital (Social)

Huntington aspires to be a Category of One financial services institution: an organization unique in the combination of its culture and performance. Huntington had 19,920 average full-time equivalent colleagues during 2022, all of whom are encouraged to live out a shared purpose of making our colleagues' and customers' lives better, helping businesses thrive, and strengthening the communities we serve. We believe that our diverse workforce, supported by a culture of inclusiveness, enriches the experience of colleagues, and enhances our ability to perform as a company.

We engage with our colleagues to gain valuable feedback on a wide range of subjects related to the experience of working at Huntington, with a strategic focus on culture, trust, and engagement. We value the feedback colleagues choose to share and use the information to drive our talent management strategy, which focuses on four key areas and a commitment to diversity, equity, and inclusion:

- Engagement
- Development
- Retention, and
- Attraction of top talent

Engagement

At Huntington, we have taken steps to ensure our values, beliefs, and behaviors align with those of our colleagues. We have highly engaged colleagues committed to looking out for each other and our customers with a balanced focus on “what we do” and “how we do it.” This synergy has proven to positively impact colleague performance and satisfaction. 2022 marked the ninth consecutive year we conducted a company-wide engagement survey to measure our colleagues’ experience with a strategic focus on culture, trust, and engagement – and the results were reaffirming. In 2022, 87%, 85%, and 84% of colleagues responded favorably on trust, culture, and engagement, respectively. 82% of colleagues responded they would recommend Huntington as a great place to work.

The annual company-wide engagement survey is just one element of our continual colleague feedback program, which includes quick colleague pulse, new hire, manager-specific, and exit surveys. These surveys enhance leader understanding of the colleague experience, position Huntington to respond to colleague needs, and provide strong support to colleagues as they deliver performance in the spirit of our Purpose and Values.

At Huntington, living our shared Purpose extends beyond our daily work. We believe that building connections between colleagues, their families and our communities create a meaningful, fulfilling, and enjoyable colleague experience. During 2022, Huntington colleagues provided over 35,000 volunteer hours to over 1,300 organizations across our footprint, including foodbanks, homeless shelters, local schools, senior housing, and afterschool programs.

Development

We have created specialized programs to help our colleagues grow and develop. These programs include an online library which allows colleagues to take ownership of their development via direct access to role-based content. The content is divided into three key areas of development: learning and growth, maximizing performance, and protecting the company. All of the programming offered includes diversity, equity, and inclusion content. During 2022, colleagues at Huntington completed approximately 35 training hours per average full-time equivalent colleague, a 14% increase year over year. Huntington also provided a High-Potential Talent Development Program to top talent colleagues, so that they may further develop and accelerate their career growth. Additionally, we offer all colleagues the ability to obtain post-secondary education with reimbursement of tuition.

Retention

Huntington is committed to creating an environment where colleagues are valued, supported, and empowered. We offer competitive rewards programs that further strengthen our employment value proposition and encourages colleague retention. Our compensation structure includes benefit plans and programs focused on multiple facets of well-being, including physical, mental, and financial wellness. Effective January 1, 2022 we increased the minimum hourly pay rate to $19 and further increased this rate to $20 effective January 1, 2023. We also offer Workplace Flex, a program of practices for colleagues, so that they can achieve a healthy balance between work and life outside of work. The program includes practices that enable colleagues multiple paths to achieving balance, including: flexible scheduling (staggered hours, compressed workweeks, part-time schedules, and job-sharing), flexible work location (remote, hybrid, and on-site), and both health and financial wellness support beyond the typical medical/visual/dental programs (adoption and fertility, parental leave, on-site fitness and fitness discounts, mental health and financial counseling services, support for chronic conditions). Collectively, these practices position colleagues to be their best self both at work and outside of work.

Huntington’s commitment to pay equity is unwavering to ensure that gender, race, and ethnicity are not determining factors in salaries, bonuses, and stock-based awards. We continue to identify and implement effective practices to promote pay equity, including pay analyses, additional hiring practices that protect pay equity, and training managers on explicit and implicit bias in compensation and promotion decisions. Huntington seeks to maintain approximately 100% pay equity.

Collectively, these strategies create a colleague experience that entices colleagues to stay and fulfill their goals with Huntington.

Attraction of top talent

We are dedicated to attracting top talent with an emphasis on experience and behaviors that align with our Purpose and our core values of 'Can Do Attitude, Forward Thinking, and Service Heart.'

The diversity of our colleagues is a key component of our success as an organization as it allows us to have a workforce that is representative of the communities we serve and is critical to our sustained success and growth. We proactively seek out a diverse candidate pool during the recruitment process across all levels. We are focused on identifying, supporting, and promoting qualified diverse candidates in leadership roles. As of December 31, 2022, our combined middle, senior, and executive management levels were 47% diverse and our total workforce was 67% diverse. For the purpose of reporting the aforementioned data, we acknowledge diverse individuals as those who are identified as women, or as being racially/ethnically diverse.

Our commitment to creating an inclusive, diverse environment through embracing different skills, backgrounds, and perspectives, both in our communities and at work is demonstrated through our DEI Strategy and Operating Plan. This plan encompasses four focus areas, workplace inclusion, workforce diversity, community engagement, and supplier diversity. We execute this strategy and operating plan in multiple ways. Our Chief Diversity, Equity, Inclusion and Culture Officer ensures Diversity, Equity, and Inclusion perspectives are an integral part of executive decisions made at Huntington. This is achieved by measuring and socializing progress on diversity across our footprint and providing diversity and inclusion programs to our colleagues. In addition, we have Inclusion Councils, Business Resource Groups and Communities of Practice to support our commitment to engage, develop, retain, and attract top diverse talent. Inclusion Councils are voluntary, colleague driven regional and office-specific councils that focus on an inclusive, respectful, and supportive environment for all colleagues. The Business Resource Groups are voluntary, colleague-driven groups organized around a shared interest or common diversity dimension, each sponsored by a senior executive. The Communities of Practice are colleague-led, volunteer affinity groups which share information and experiences with fellow members. All of these are important components to our inclusion strategy and deliver content throughout the year.

Governance

Our Board of Directors and ELT are committed to executing on our long-term vision and aligning our strategic objectives with the interests of our stakeholders. Our Board members are accomplished leaders from diverse backgrounds, bringing the perspectives, skills, and experience necessary to use independent judgment that will effectively challenge and drive continued success. Our Board members approve the strategy, risk appetite, and ethical standards for the entire organization, and our ELT ensures our business and enterprise functions operate with high legal, ethical, and moral standards through clearly stated policies and procedures. Additionally, our leaders set the tone at the top and oversee compliance with our standards and direct the company's financial reporting and internal controls.

At the end of 2022, our Board consisted of 15 directors, comprised of our Chairman/President/CEO as well as our Huntington National Bank Chairman, and 13 independent directors. Our key risk and governance committees require at least three directors who are independent and are chaired by an independent director with the knowledge and expertise to lead the committee. As of December 31, 2022, our ELT and Board were 50% and 47% diverse, respectively.

Competition

We compete with other banks and financial services companies such as savings and loans, credit unions, and finance and trust companies, as well as mortgage banking companies, equipment and automobile financing companies (including captive automobile finance companies), insurance companies, mutual funds, investment advisors, brokerage firms, and non-bank lenders both within and outside of our primary market areas. Financial Technology Companies, or FinTechs, are also providing nontraditional, but increasingly strong, competition for our borrowers, depositors, and other customers.

We compete for loans primarily on the basis of value and service by building customer relationships through addressing our customers' entire suite of banking needs, demonstrating expertise, and providing convenience. We also consider the competitive pricing pressures in each of our markets.

We compete for deposits similarly on the basis of value and service and by providing convenience through a banking network of branches and ATMs within our markets and our website at www.huntington.com. We employ customer friendly practices, such as a $50 Safety Zone[sm], which prevents customers from being charged an overdraft fee if they overdraw by $50 or less, 24-Hour Grace® account feature for both commercial and consumer accounts, which gives customers an additional business day to cover overdrafts to their account without being charged overdraft fees, Early Pay, which allows customers with direct deposit availability to their paycheck up to two days early, Instant Access, which allows up to $500 of a check deposit available to customers immediately, and Asterisk-free checking where there is no cost to open and no monthly maintenance fees. In addition, customers can qualify for Standby Cash® based primarily on their checking deposit history, not their credit score, which provides a $100 to $500 short-term line of credit free with automatic payments, or a 1% monthly interest charge without automatic payments. Huntington also has created a feature called Money Scout[sm], which is a tool that analyzes a customer's spending habits and moves money that is not being used into that customer's savings account and have introduced tools including The Hub and Huntington Heads Up® to provide customers greater visibility and control over their financial future. These measures fall under our approach of "Fair Play Banking."

The table below shows our competitive ranking and market share based on deposits of FDIC-insured institutions as of June 30, 2022, in the top 10 MSAs in which we compete:

MSA	Rank	Deposits (in millions)	Market Share
Columbus, OH	1	$ 36,779	37 %
Detroit, MI	4	17,394	9
Cleveland, OH	2	14,486	12
Chicago, IL	12	9,112	2
Minneapolis-St. Paul, MN	5	6,523	3
Grand Rapids, MI	1	6,268	20
Akron, OH	1	5,487	27
Indianapolis, IN	5	5,329	6
Cincinnati, OH	4	4,649	3
Pittsburgh, PA	9	4,265	2

Source: FDIC.gov, based on June 30, 2022 survey.

Many of our nonfinancial institution competitors have fewer regulatory constraints, broader geographic service areas, greater capital, and, in some cases, lower cost structures. In addition, competition for quality customers has intensified as a result of changes in regulation, advances in technology and product delivery systems, and consolidation among financial service providers.

FinTechs continue to emerge in key areas of banking. In addition, larger established technology platform companies continue to evaluate, and in some cases, create businesses focused on banking products. We are closely monitoring activity in the marketplace to ensure that our products and services are technologically competitive. Further, we continue to invest in and evolve our innovation program to develop, incubate, and launch new products and services driving ongoing differentiated value for our customers. Our overall strategy involves an active corporate development program that seeks to identify partnership and possible investment opportunities in technology-driven companies that can augment our distribution and product capabilities.

Regulatory Matters

Regulatory Environment

The banking industry is highly regulated. We are subject to supervision, regulation, and examination by various federal and state regulators, including the Federal Reserve, OCC, SEC, CFPB, FDIC, FINRA, and various state regulatory agencies. The statutory and regulatory framework that governs us is generally intended to protect depositors and customers, the DIF, the U.S. banking and financial system, and financial markets as a whole.

Banking statutes, regulations, and policies are continually under review by Congress, state legislatures, and federal and state regulatory agencies. In addition to laws and regulations, state and federal bank regulatory agencies may issue policy statements, interpretive letters, and similar written guidance applicable to Huntington and its subsidiaries. Any change in the statutes, regulations, or regulatory policies applicable to us, including changes in their interpretation or implementation, could have a material effect on our business or organization.

Under the Tailoring Rules, Huntington and the Bank each qualify as a Category IV banking organization subject to the least restrictive of the requirements applicable to firms with $100 billion or more in total consolidated assets.

Our business, however, remains subject to extensive regulation and supervision. Furthermore, the U.S. banking agencies may issue additional rules to tailor the application of certain other regulatory requirements to BHCs and banks, including Huntington and the Bank.

We are also subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, both as administered by the SEC, as well as the rules of Nasdaq that apply to companies with securities listed on the Nasdaq Global Select Market.

The following discussion describes certain elements of the comprehensive regulatory framework applicable to us. This discussion is not intended to describe all laws and regulations applicable to Huntington, the Bank, and Huntington's other subsidiaries.

Huntington as a Bank Holding Company

Huntington is registered as a BHC with the Federal Reserve under the BHC Act and qualifies for and has elected to become a FHC under the GLBA. As an FHC, Huntington is permitted to engage in, and be affiliated with companies engaging in, a broader range of activities than those permitted for a BHC. BHCs are generally restricted to engaging in the business of banking, managing, or controlling banks, and certain other activities determined by the Federal Reserve to be closely related to banking. FHCs may also engage in activities that are considered to be financial in nature, as well as those incidental or complementary to financial activities, including underwriting, dealing, and making markets in securities, and making merchant banking investments in non-financial companies. Huntington and the Bank must each remain "well-capitalized" and "well managed" in order for Huntington to maintain its status as an FHC. In addition, the Bank must receive a CRA rating of at least "Satisfactory" at its most recent examination for Huntington to engage in the full range of activities permissible for FHCs.

Huntington is subject to primary supervision, regulation, and examination by the Federal Reserve, which serves as the primary regulator of our consolidated organization. The primary regulators of our non-bank subsidiaries directly regulate the activities of those subsidiaries, with the Federal Reserve exercising a supervisory role. Such non-bank subsidiaries include, for example, broker-dealers and investment advisers both registered with the SEC.

The Bank as a National Bank

The Bank is a national banking association chartered under the laws of the United States. As a national bank, the activities of the Bank are limited to those specifically authorized under the National Bank Act and OCC regulations. The Bank is subject to comprehensive primary supervision, regulation, and examination by the OCC. As a member of the DIF, the Bank is also subject to regulation and examination by the FDIC.

Supervision, Examination and Enforcement

A principal objective of the U.S. bank regulatory regime is to protect depositors and customers, the DIF, the U.S. banking and financial system, and financial markets as a whole by ensuring the financial safety and soundness of BHCs and banks, including Huntington and the Bank. Bank regulators regularly examine the operations of BHCs and banks. In addition, BHCs and banks are subject to periodic reporting and filing requirements.

The Federal Reserve, OCC, and FDIC have broad supervisory and enforcement authority with regard to BHCs and banks, including the power to conduct examinations and investigations, impose nonpublic supervisory agreements, issue cease and desist orders, impose fines and other civil and criminal penalties, terminate deposit insurance, and appoint a conservator or receiver. In addition, Huntington, the Bank, and other Huntington subsidiaries are subject to supervision, regulation, and examination by the CFPB, which is the primary administrator of most federal consumer financial statutes and Huntington's primary consumer financial regulator. Supervision and examinations are confidential, and the outcomes of these actions may not be made public.

Bank regulators have various remedies available if they determine that the financial condition, capital resources, asset quality, earnings prospects, management, liquidity, or other aspects of a banking organization's operations are unsatisfactory. The regulators may also take action if they determine that the banking organization or its management is violating or has violated any law or regulation. The regulators have the power to, among other things, prohibit unsafe or unsound practices, require affirmative actions to correct any violation or practice, issue administrative orders that can be judicially enforced, direct increases in capital, direct the sale of subsidiaries or other assets, limit dividends and distributions, restrict growth, assess civil monetary penalties, remove officers and directors, and terminate deposit insurance.

Engaging in unsafe or unsound practices or failing to comply with applicable laws, regulations, and supervisory agreements could subject the Company, its subsidiaries, and their respective officers, directors, and institution-affiliated parties to the remedies described above, and other sanctions. In addition, the FDIC may terminate a bank's deposit insurance upon a finding that the bank's financial condition is unsafe or unsound or that the bank has engaged in unsafe or unsound practices or has violated an applicable rule, regulation, order, or condition enacted or imposed by the bank's regulatory agency.

Huntington is subject to the Federal Reserve's LFI Rating System, to align its supervisory rating system, which places a greater emphasis on capital and liquidity, including related planning and risk management practices as compared to the supervisory rating system applicable to smaller BHCs. These ratings will remain confidential.

Bank Acquisitions by Huntington

BHCs, such as Huntington, must obtain prior approval of the Federal Reserve in connection with any acquisition that results in the BHC owning or controlling 5% or more of any class of voting securities of a bank or another BHC.

Acquisitions of Ownership of the Company

Acquisitions of Huntington's voting stock above certain thresholds are subject to prior regulatory notice or approval under federal banking laws, including the BHC Act and the Change in Bank Control Act of 1978. Under the Change in Bank Control Act, a person or entity generally must provide prior notice to the Federal Reserve before acquiring the power to vote 10% or more of our outstanding common stock. Investors should be aware of these requirements when acquiring shares in our stock.

Interstate Banking

Under the Riegle-Neal Act, a BHC may acquire banks in states other than its home state, subject to any state requirement that the bank has been organized and operating for a minimum period of time, not to exceed five years, and the requirement that the BHC not control, prior to or following the proposed acquisition, more than 10% of the total amount of deposits of insured depository institutions nationwide or, unless the acquisition is the BHC's initial entry into the state, more than 30% of such deposits in the state (or such lesser or greater amount set by the state). The Riegle-Neal Act also authorizes banks to merge across state lines, thereby creating interstate branches. A national bank, such as the Bank, with the approval of the OCC may open a branch in any state if the law of that state would permit a state bank chartered in that state to establish the branch.

Regulatory Capital Requirements

Huntington and the Bank are subject to certain risk-based capital and leverage ratio requirements under the U.S. Basel III capital rules adopted by the Federal Reserve, for Huntington, and by the OCC, for the Bank. These rules implement the Basel III international regulatory capital standards in the United States, as well as certain provisions of the Dodd-Frank Act. These quantitative calculations are minimums, and the Federal Reserve and OCC may determine that a banking organization, based on its size, complexity, or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner.

Under the U.S. Basel III capital rules, Huntington's and the Bank's assets, exposures, and certain off-balance sheet items are subject to risk weights used to determine the institutions' risk-weighted assets. These risk-weighted assets are used to calculate the following minimum capital ratios for Huntington and the Bank:

- **CET1 Risk-Based Capital Ratio**, equal to the ratio of CET1 capital to risk-weighted assets. CET1 capital primarily includes common shareholders' equity subject to certain regulatory adjustments and deductions, including goodwill, intangible assets, certain deferred tax assets, and AOCI.
- **Tier 1 Risk-Based Capital Ratio**, equal to the ratio of Tier 1 capital to risk-weighted assets. Tier 1 capital is primarily comprised of CET1 capital, perpetual preferred stock, and certain qualifying capital instruments.
- **Total Risk-Based Capital Ratio**, equal to the ratio of total capital, including CET1 capital, Tier 1 capital, and Tier 2 capital, to risk-weighted assets. Tier 2 capital primarily includes qualifying subordinated debt and qualifying ALLL. Tier 2 capital also includes, among other things, certain trust preferred securities.
- **Tier 1 Leverage Ratio**, equal to the ratio of Tier 1 capital to quarterly average assets (net of goodwill, certain other intangible assets, and certain other deductions).

Huntington and the Bank elected to temporarily delay certain effects of CECL on regulatory capital until January 1, 2022 pursuant to a rule that allowed BHCs and banks to delay for two years 100% of the day-one impact of adopting CECL and 25% of the cumulative change in the reported allowance for credit losses since adopting CECL. As of December 31, 2022, we have phased in 25% of the cumulative CECL deferral with the remaining impact to be recognized through the first quarter 2025.

The total minimum regulatory capital ratios and well-capitalized minimum ratios are reflected in the table below in this section. The Federal Reserve has not yet revised the well-capitalized standard for BHCs to reflect the higher capital requirements imposed under the U.S. Basel III capital rules. For purposes of the Federal Reserve's Regulation Y, including determining whether a BHC meets the requirements to be an FHC, BHCs, such as Huntington, must maintain a Tier 1 Risk-Based Capital Ratio of 6.0% or greater and a Total Risk-Based Capital Ratio of 10.0% or greater. If the Federal Reserve were to apply the same or a very similar well-capitalized standard to BHCs as that applicable to the Bank, Huntington's capital ratios as of December 31, 2022, would exceed such revised well-capitalized standard. The Federal Reserve may require BHCs, including Huntington, to maintain capital ratios substantially in excess of mandated minimum levels, depending upon general economic conditions and a BHC's particular condition, risk profile, and growth plans.

Failure to be well-capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on our operations or financial condition. Failure to be well-capitalized or to meet minimum capital requirements could also result in restrictions on Huntington's or the Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval of applications.

In addition to meeting the minimum capital requirements, under the U.S. Basel III capital rules, Huntington and the Bank must maintain the applicable capital buffer (SCB or CCB) requirements to avoid becoming subject to restrictions on capital distributions and certain discretionary bonus payments to management. Huntington is subject to a SCB of 3.3% effective for the period October 1, 2022 through September 30, 2023. Please refer to the SCB Requirements section below for further details. The Bank is subject to a CCB of 2.5%. The Tier 1 Leverage Ratio is not impacted by the SCB or CCB, and a banking institution may be considered well-capitalized while remaining out of compliance with the SCB or CCB.

The following table presents the minimum regulatory capital ratios, minimum ratio plus the capital buffer, and well-capitalized minimums compared with Huntington's and the Bank's regulatory capital ratios as of December 31, 2022, calculated using the regulatory capital methodology applicable as of the end of 2022.

		Minimum Regulatory Capital Ratio	Minimum Ratio + Capital Buffer (1)	Well-Capitalized Minimums (2)	At December 31, 2022
					Actual
Ratios:					
CET1 risk-based capital ratio	Consolidated	4.50 %	7.80 %	N/A	9.36 %
	Bank	4.50	7.00	6.50 %	9.98
Tier 1 risk-based capital ratio	Consolidated	6.00	9.30	6.00	10.90
	Bank	6.00	8.50	8.00	10.83
Total risk-based capital ratio	Consolidated	8.00	11.30	10.00	13.09
	Bank	8.00	10.50	10.00	12.47
Tier 1 leverage ratio	Consolidated	4.00	N/A	N/A	8.60
	Bank	4.00	N/A	5.00	8.54

(1) Reflects a SCB of 3.3% for Huntington and CCB of 2.5% for the Bank.
(2) Reflects the well-capitalized standard applicable to Huntington under Federal Reserve Regulation Y and the well-capitalized standard applicable to the Bank.

Huntington has the ability to provide additional capital to the Bank to maintain the Bank's risk-based capital ratios at levels which would be considered well-capitalized.

As of December 31, 2022, Huntington's and the Bank's regulatory capital ratios were above the well-capitalized standards and met the applicable capital buffer requirements.

Liquidity Requirements

Under the Capital and Liquidity Tailoring Rule, Huntington, as a Category IV banking organization with less than $50 billion in weighted short-term wholesale funding, is exempt from the LCR and net stable funding ratio requirements but will continue to be subject to internal liquidity stress tests and standards.

Enhanced Prudential Standards

Under the Dodd-Frank Act, as modified by the Economic Growth Act, BHCs with consolidated assets of more than $100 billion, such as Huntington, are currently subject to certain enhanced prudential standards. As a result, Huntington is subject to more stringent standards, including liquidity and capital requirements, leverage limits, stress testing, resolution planning, and risk management standards, than those applicable to smaller institutions. Certain larger banking organizations are subject to additional enhanced prudential standards.

As discussed in the Regulatory Environment section above, under the EPS Tailoring Rule, Huntington, as a Category IV banking organization, is subject to the least restrictive enhanced prudential standards applicable to firms with $100 billion or more in total consolidated assets. As compared to enhanced prudential standards that were applicable to Huntington, under the EPS Tailoring Rule, Huntington is no longer subject to company-run stress testing requirements and is subject to supervisory stress tests every other year (as opposed to annually), less frequent internal liquidity stress tests, and reduced liquidity risk management requirements.

Capital Planning and Stress Testing

Huntington is required to develop, maintain, and submit to the Federal Reserve a capital plan every year, which is subject to supervisory review in connection with the Federal Reserve's CCAR process. Huntington is required to include within its capital plan an assessment of the expected uses and sources of capital and a description of all planned capital actions over the nine-quarter planning horizon, a detailed description of the process for assessing capital adequacy, its capital policy, and a discussion of any expected changes to its business plan that are likely to have a material impact on its capital adequacy. Under the stress buffer requirements final rule adopted in 2020, the CCAR process is used to determine a BHC's SCB requirement. Please refer to the SCB Requirements section below for further details.

The Federal Reserve expects BHCs subject to CCAR, such as Huntington, to have sufficient capital to withstand a highly adverse operating environment and to be able to continue operations, maintain ready access to funding, meet obligations to creditors and counterparties, and serve as credit intermediaries. In addition, the Federal Reserve evaluates the planned capital actions of these BHCs, including planned capital distributions such as dividend payments or stock repurchases. This involves a quantitative assessment of capital based on supervisory-run stress tests that assess the ability to maintain capital levels above certain minimum ratios, after taking all capital actions included in a BHC's capital plan, under baseline and stressful conditions throughout the nine-quarter planning horizon. As part of CCAR, the Federal Reserve evaluates whether BHCs have sufficient capital to continue operations throughout times of economic and financial market stress and whether they have robust, forward-looking capital planning processes that account for their unique risks. We are generally prohibited from making a capital distribution unless, after giving effect to the distribution, we will meet all minimum regulatory capital ratios. Huntington may increase its capital distributions in excess of the amount included in their capital plan without seeking prior approval from the Federal Reserve as long as it otherwise complies with the automatic restrictions on distributions under the Federal Reserve's capital rules.

While the Federal Reserve is no longer allowed to object to the capital plan of a large and non-complex BHC, such as Huntington, on a qualitative, as opposed to quantitative, basis, the Federal Reserve may evaluate the strength of Huntington's qualitative capital planning process through the regular supervisory process and targeted horizontal reviews of particular aspects of capital planning. In addition, under the stress buffer requirements final rule adopted in 2020, the Federal Reserve may no longer object to capital plans of BHCs, including Huntington, on a quantitative basis. Please refer to the SCB Requirements section below for further details.

SCB Requirements

In 2020, the Federal Reserve issued a final rule to integrate its annual capital planning and stress testing requirements with certain ongoing regulatory capital requirements. The final rule applies to certain BHCs, including Huntington, and introduces a stress capital buffer and related changes to the capital planning and stress testing processes.

For risk-based capital requirements, Huntington, as a large BHC, is provided an SCB by the Federal Reserve that is determined annually based on the greater of (i) the difference between its starting and minimum projected CET1 Risk-Based Capital Ratio under the severely adverse scenario in the supervisory stress test, plus the sum of the dollar amount of Huntington's planned common stock dividends for each of the fourth through seventh quarters of the planning horizon as a percentage of risk-weighted assets, or (ii) 2.5%. Effective for the period of October 1, 2022 through September 20, 2023, Huntington's SCB is 3.3%, an increase from its previous SCB of 2.5%.

The final rule also makes related changes to the capital planning and stress testing process. Among other changes, the revised capital plan rule eliminates the assumption that Huntington's balance sheet assets would increase over the planning horizon. In addition, provided that Huntington is otherwise in compliance with automatic restrictions on distributions under the Federal Reserve's capital rules, Huntington will no longer be required to seek prior approval to make capital distributions in excess of those included in its capital plan.

Restrictions on Dividends

Huntington is a legal entity separate and distinct from its banking and non-banking subsidiaries. Since our consolidated net income consists largely of net income of Huntington's subsidiaries, our ability to make capital distributions, including paying dividends and repurchasing shares, depends upon our receipt of dividends from these subsidiaries. Under federal law, there are various limitations on the extent to which the Bank can declare and pay dividends to Huntington, including those related to regulatory capital requirements, general regulatory oversight to prevent unsafe or unsound practices, and federal banking law requirements concerning the payment of dividends out of net profits, surplus, and available earnings. Certain contractual restrictions also may limit the ability of the Bank to pay dividends to Huntington. No assurances can be given that the Bank will, in any circumstances, pay dividends to Huntington.

Huntington's ability to declare and pay dividends to our shareholders is similarly limited by federal banking law and Federal Reserve regulations and policy. As discussed in the Capital Planning section above, a BHC may pay dividends and repurchase stock only in accordance with a capital plan that has been reviewed by the Federal Reserve and as to which the Federal Reserve has not objected.

Huntington and the Bank must maintain the applicable capital buffer requirements to avoid becoming subject to restrictions on capital distributions, including dividends. For more information on the capital buffer requirements, see the SCB Requirements and the Regulatory Capital Requirements sections above.

Federal Reserve policy provides that a BHC generally should not pay dividends unless (1) the BHC's net income over the last four quarters (net of dividends paid) is sufficient to fully fund the dividends, (2) the prospective rate of earnings retention appears consistent with the capital needs, asset quality, and overall financial condition of the BHC and its subsidiaries, and (3) the BHC will continue to meet minimum required capital adequacy ratios. Accordingly, a BHC should not pay cash dividends that can only be funded in ways that weaken the BHC's financial health, such as by borrowing. A BHC should inform the Federal Reserve reasonably in advance of declaring or paying a dividend that exceeds earnings for the period for which the dividend is being paid or that could result in a material adverse change to the BHC's capital structure. BHCs should also consult with the Federal Reserve before increasing dividends or redeeming or repurchasing capital instruments. Additionally, the Federal Reserve could prohibit or limit the payment of dividends by a BHC if it determines that payment of the dividend would constitute an unsafe or unsound practice.

Volcker Rule

Under the Volcker Rule, we are prohibited from (1) engaging in short-term proprietary trading for our own account and (2) having certain ownership interests in and relationships with hedge funds or private equity funds (covered funds). The Volcker Rule regulations contain exemptions for market-making, hedging, underwriting, trading in U.S. government and agency obligations, and also permit certain ownership interests in certain types of covered funds to be retained. They also permit the offering and sponsoring of covered funds under certain conditions. The Volcker Rule regulations impose significant compliance and reporting obligations on banking entities, such as Huntington. We have put in place the compliance programs required by the Volcker Rule and have either divested or received extensions for any holdings in illiquid covered funds.

Resolution Planning

As a Category IV banking organization, Huntington is not required to submit a resolution plan to the Federal Reserve. As an insured depository institution, the Bank is required by FDIC regulation to file a resolution plan on a triennial basis. This requirement had been suspended since 2018, but the FDIC announced in June 2021 that it would resume requiring bank level resolution plans for large banks, including the Bank, and bank-level resolution plans will have more streamlined content requirements. During 2021, the Bank was informed by the FDIC that its next resolution plan was due on or before December 1, 2022. The Bank submitted its resolution plan to the FDIC on November 30, 2022, which is currently under review.

Source of Strength

Huntington is required to serve as a source of financial and managerial strength to the Bank and, under appropriate conditions, to commit resources to support the Bank. This support may be required by the Federal Reserve at times when we might otherwise determine not to provide it or when doing so is not otherwise in the interests of Huntington or our shareholders or creditors. The Federal Reserve may require a BHC to make capital injections into a troubled subsidiary bank and may charge the BHC with engaging in unsafe and unsound practices if the BHC fails to commit resources to such a subsidiary bank or if it undertakes actions that the Federal Reserve believes might jeopardize the BHC's ability to commit resources to such subsidiary bank.

Under these requirements, Huntington may in the future be required to provide financial assistance to the Bank should it experience financial distress. Capital loans by Huntington to the Bank would be subordinate in right of payment to deposits and certain other debts of the Bank. In the event of Huntington's bankruptcy, any commitment by Huntington to a federal bank regulatory agency to maintain the capital of the Bank would be assumed by the bankruptcy trustee and entitled to a priority of payment.

FDIC as Receiver or Conservator of Huntington

Upon the insolvency of an insured depository institution, such as the Bank, the FDIC may be appointed as the conservator or receiver of the institution. Under the Orderly Liquidation Authority, upon the insolvency of a BHC, such as Huntington, the FDIC may be appointed as conservator or receiver of the BHC, if certain findings are made by the FDIC, the Federal Reserve, and the Secretary of the Treasury, in consultation with the President. Acting as a conservator or receiver, the FDIC would have broad powers to transfer any assets or liabilities of the institution without the approval of the institution's creditors.

Depositor Preference

The FDIA provides that, in the event of the liquidation or other resolution of an insured depository institution, including the Bank, the claims of depositors of the institution (including the claims of the FDIC as subrogee of insured depositors) and certain claims for administrative expenses of the FDIC as a receiver would have priority over other general unsecured claims against the institution. If the Bank were to fail, insured and uninsured depositors, along with the FDIC, would have priority in payment ahead of unsecured, non-deposit creditors, including Huntington, with respect to any extensions of credit they have made to such insured depository institution.

Transactions between a Bank and its Affiliates

Federal banking laws and regulations impose qualitative standards and quantitative limitations upon certain transactions between a bank and its affiliates, including between a bank and its holding company and companies that the BHC may be deemed to control for these purposes. Transactions covered by these provisions must be on arm's-length terms and cannot exceed certain amounts which are determined with reference to the Bank's regulatory capital. Moreover, if the transaction is a loan or other extension of credit, it must be secured by collateral in an amount and quality expressly prescribed by statute, and if the affiliate is unable to pledge sufficient collateral, the BHC may be required to provide it. The Dodd-Frank Act expanded the coverage and scope of these regulations, including by applying them to the credit exposure arising under derivative transactions, repurchase and reverse repurchase agreements, and securities borrowing and lending transactions. Federal banking laws also place similar restrictions on loans and other extensions of credit by FDIC-insured banks, such as the Bank, and their subsidiaries to their directors, executive officers, and principal shareholders.

Lending Standards and Guidance

The federal bank regulatory agencies have adopted uniform regulations prescribing standards for extensions of credit that are secured by liens or interests in real estate or made for the purpose of financing permanent improvements to real estate. Under these regulations, all insured depository institutions, such as the Bank, must adopt and maintain written policies establishing appropriate limits and standards for extensions of credit that are secured by liens or interests in real estate or are made for the purpose of financing permanent improvements to real estate. These policies must establish loan portfolio diversification standards, prudent underwriting standards (including loan-to-value limits) that are clear and measurable, loan administration procedures, and documentation, approval, and reporting requirements. The real estate lending policies must reflect consideration of the federal bank regulatory agencies' Interagency Guidelines for Real Estate Lending Policies.

Heightened Governance and Risk Management Standards

The OCC has published guidelines to set expectations for the governance and risk management practices of certain large financial institutions, including the Bank. The guidelines require covered institutions to establish and adhere to a written governance framework in order to manage and control their risk-taking activities. In addition, the guidelines provide standards for the institutions' boards of directors to oversee the risk governance framework. As discussed in the "Risk Management and Capital" section of the MD&A, the Bank currently has a written governance framework and associated controls.

Anti-Money Laundering

The Bank Secrecy Act and the Patriot Act contain anti-money laundering and financial transparency provisions intended to detect and prevent the use of the U.S. financial system for money laundering and terrorist financing activities. The Bank Secrecy Act, as amended by the Patriot Act, requires depository institutions and their holding companies to undertake activities including maintaining an AML program, verifying the identity of customers, verifying the identity of certain beneficial owners for legal entity customers, monitoring for and reporting suspicious transactions, reporting on cash transactions exceeding specified thresholds, and responding to requests for information by regulatory authorities and law enforcement agencies. The Bank is subject to the Bank Secrecy Act and, therefore, is required to provide its employees with AML training, designate an AML compliance officer, and undergo an annual, independent audit to assess the effectiveness of its AML program. The Bank has implemented policies, procedures, and internal controls that are designed to comply with these AML requirements. Bank regulators are focusing their examinations on AML compliance, and we will continue to monitor and augment, where necessary, our AML compliance programs. The federal banking agencies are required, when reviewing bank and BHC acquisition or merger applications, to take into account the effectiveness of the AML activities of the applicant.

The Anti-Money Laundering Act of 2020, enacted on January 1, 2021 as part of the National Defense Authorization Act, does not directly impose new requirements on banks, but requires the U.S. Treasury to issue National Anti-Money Laundering and Countering the Financing of Terrorism Priorities, and conduct studies and issue regulations that may, over the next few years, significantly alter some of the due diligence, recordkeeping and reporting requirements that the Bank Secrecy Act and Patriot Act impose on banks. The Anti-Money Laundering Act of 2020 also contains provisions that promote increased information-sharing and use of technology and increases penalties for violations of the Bank Secrecy Act and includes whistleblower incentives, both of which could increase the prospect of regulatory enforcement.

OFAC Regulation

OFAC is responsible for administering economic sanctions that affect transactions with designated foreign countries, nationals, and others, as defined by various Executive Orders and in various legislation. OFAC-administered sanctions take many different forms. For example, sanctions may include: (1) restrictions on trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on U.S. persons engaging in financial transactions relating to, making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (2) a blocking of assets in which the government or “specially designated nationals” of the sanctioned country have an interest, by prohibiting transfers of property subject to U.S. jurisdiction, including property in the possession or control of U.S. persons. OFAC also publishes lists of persons, organizations, and countries suspected of aiding, harboring, or engaging in terrorist acts, known as Specially Designated Nationals and Blocked Persons. Blocked assets, for example property and bank deposits, cannot be paid out, withdrawn, set off, or transferred in any manner without a license from OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences.

Data Privacy

Federal and state law contains extensive consumer privacy protection provisions. The GLBA requires financial institutions to periodically disclose their privacy policies and practices relating to sharing such information and enables retail customers to opt out of our ability to share information with unaffiliated third parties under certain circumstances. Other federal and state laws and regulations impact our ability to share certain information with affiliates and non-affiliates for marketing and/or non-marketing purposes, or to contact customers with marketing offers. These security and privacy policies and procedures for the protection of personal and confidential information are in effect across all businesses and geographic locations as applicable. Federal law also makes it a criminal offense, except in limited circumstances, to obtain or attempt to obtain customer information of a financial nature by fraudulent or deceptive means.

Data privacy and data protection are areas of increasing state legislative focus. For example, in June 2018, the Governor of California signed into law the CCPA. The CCPA, which became effective on January 1, 2020, applies to for-profit businesses that conduct business in California and meet certain revenue or data collection thresholds. The CCPA gives consumers the right to request disclosure of information collected about them, and whether that information has been sold or shared with others, the right to request deletion of personal information (subject to certain exceptions), the right to opt out of the sale of the consumer's personal information, and the right not to be discriminated against for exercising these rights. The CCPA contains several exemptions, including that many, but not all, requirements of the CCPA are inapplicable to information that is collected, processed, sold, or disclosed pursuant to the GLBA. California voters also recently passed the CPRA, which took effect on January 1, 2023, and significantly modifies the CCPA, including imposing additional obligations on covered companies and expanding California consumers' rights with respect to certain sensitive personal information. On July 8, 2022, the CPPA commenced formal rulemaking to adopt regulations to implement the CPRA. However, regulations did not come into effect prior to the CPRA's effective date. The CPPA has stated that the earliest proposed regulations could be in effect is April 2023, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply with the regulations. In California, the CCPA, the CPRA, and upcoming regulations may be interpreted or applied in a manner inconsistent with our understanding. Numerous other states have also enacted or are in the process of enacting state-level privacy, data protection and/or data security laws and regulations. The federal government may also pass additional data privacy or data protection legislation, including possible amendment of the GLBA.

Like other lenders, the Bank and other of our subsidiaries use credit bureau data in their underwriting activities. Use of such data is regulated under the FCRA, and the FCRA also regulates reporting information to credit bureaus, prescreening individuals for credit offers, sharing of information between affiliates, and using affiliate data for marketing purposes. Similar state laws may impose additional requirements on us and our subsidiaries.

FDIC Insurance

The DIF provides insurance coverage for certain deposits, up to a standard maximum deposit insurance amount of $250,000 per depositor and is funded through assessments on insured depository institutions, based on the risk each institution poses to the DIF. The Bank accepts customer deposits that are insured by the DIF and, therefore, must pay insurance premiums. The FDIC may increase the Bank's insurance premiums based on various factors, including the FDIC's assessment of its risk profile.

The FDIC also requires large insured depository institutions, including the Bank, to maintain enhanced deposit account recordkeeping and related information technology system capabilities to facilitate prompt payment of insured deposits if such an institution were to fail.

The FDIC, as required under the FDIA, established a plan on September 15, 2020, to restore the DIF reserve ratio to meet or exceed the statutory minimum of 1.35% within eight years. This plan did not include an increase in the deposit insurance assessment rate. Based on the FDIC's recent projections, however, the FDIC determined that the DIF reserve ratio is at risk of not reaching the statutory minimum by the statutory deadline of September 30, 2028 without increasing the deposit insurance assessment rates. In October 2022, the FDIC adopted a final rule to increase initial base deposit insurance assessment rate schedules uniformly by 2 basis points, beginning on January 1, 2023. The FDIC also concurrently maintained the Designated Reserve Ratio for the DIF at 2%.

Compensation

Our compensation practices are subject to oversight by the Federal Reserve and, with respect to some of our subsidiaries and employees, by other financial regulatory bodies. The scope and content of compensation regulation in the financial industry are continuing to develop, and we expect that these regulations and resulting market practices will continue to evolve over a number of years.

The federal bank regulatory agencies have issued joint guidance on executive compensation designed to ensure that the incentive compensation policies of banking organizations, such as Huntington and the Bank, do not encourage imprudent risk taking and are consistent with the safety and soundness of the organization. The SEC also finalized a rule that directs stock exchanges to require listed companies to implement clawback policies to recover incentive-based compensation from current or former executive officers in the event of certain financial restatements and requires companies to disclose their clawback policies and their actions under those policies.

Cybersecurity

The GLBA requires financial institutions to implement a comprehensive information security program that includes administrative, technical, and physical safeguards to ensure the security and confidentiality of customer records and information.

The CISA is intended to improve cybersecurity in the United States by enhanced sharing of information about security threats among the U.S. government and private sector entities, including financial institutions. The CISA also authorizes companies to monitor their own systems notwithstanding any other provision of law and allows companies to carry out defensive measures on their own systems from cyber-attacks. The law includes liability protections for companies that share cyber threat information with third parties so long as such sharing activity is conducted in accordance with CISA.

In addition, effective April 1, 2022, the Federal Reserve, OCC and FDIC issued a rule that, among other things, requires a banking organization to notify its primary federal regulators within 36 hours after identifying a “computer-security incident” that the banking organization believes in good faith could materially disrupt, degrade or impair its business or operations in a manner that would, among other things, jeopardize the viability of its operations, result in customers being unable to access their deposit and other accounts, result in a material loss of revenue, profit or franchise value, or pose a threat to the financial stability of the United States.

Community Reinvestment Act

The CRA is intended to encourage banks to help meet the credit needs of their service areas, including low- and moderate-income neighborhoods, consistent with safe and soundness practices. The relevant federal bank regulatory agency, the OCC in the Bank’s case, examines each bank and assigns it a public CRA rating. A bank’s record of fair lending compliance is part of the resulting CRA examination report.

The CRA requires the relevant federal bank regulatory agency to consider a bank’s CRA assessment when considering the bank’s application to conduct certain mergers or acquisitions or to open or relocate a branch office. The Federal Reserve also must consider the CRA record of each subsidiary bank of a BHC in connection with any acquisition or merger application filed by the BHC. An unsatisfactory CRA record could substantially delay or result in the denial of an approval or application by Huntington or the Bank. The Bank received the highest possible overall CRA rating of “Outstanding” in its most recent examination.

In June 2022, the Federal Reserve, FDIC, and OCC issued a joint proposal to amend their regulations implementing the CRA. The proposed rules would materially revise the current CRA framework, including new assessment area requirements, new methods of calculating credit for lending, investment, and service activities, and additional data collection and reporting requirements. The proposed rule included analysis indicating a significant increase in the thresholds for large banks to receive “Outstanding” ratings in the future.

Debit Interchange Fees

We are subject to a statutory requirement that interchange fees for electronic debit transactions that are paid to or charged by payment card issuers, including the Bank, be reasonable and proportional to the cost incurred by the issuer. Interchange fees for electronic debit transactions are limited to 21 cents plus 0.05% of the transaction, plus an additional one cent per transaction fraud adjustment. These fees impose requirements regarding routing and exclusivity of electronic debit transactions. On October 3, 2022, the Federal Reserve finalized a rule that amends Regulation II to, among other things, specify that debit card issuers should enable all debit card transactions, including card-not-present transactions such as online payments, to be processed on at least two unaffiliated payment card networks. The final rule becomes effective July 1, 2023. As an issuer with over $10 billion in assets, Huntington is subject to Regulation II and will work to implement these new requirements.

Consumer Protection Regulation and Supervision

We are subject to supervision and regulation by the CFPB with respect to federal consumer protection laws. We are also subject to certain state consumer protection laws, and under the Dodd-Frank Act, state attorneys general and other state officials are empowered to enforce certain federal consumer protection laws and regulations. State authorities have increased their focus on and enforcement of consumer protection rules. These federal and state consumer protection laws apply to a broad range of our activities and to various aspects of our business and include laws relating to interest rates, fair lending, disclosures of credit terms and estimated transaction costs to consumer borrowers, debt collection practices, the use of and the provision of information to consumer reporting agencies, and the prohibition of unfair, deceptive, or abusive acts or practices in connection with the offer, sale, or provision of consumer financial products and services.

The CFPB has promulgated many mortgage-related final rules since it was established under the Dodd-Frank Act, including rules related to the ability to repay and qualified mortgage standards, mortgage servicing standards, loan originator compensation standards, high-cost mortgage requirements, HMDA requirements, and appraisal and escrow standards for higher priced mortgages. The mortgage-related final rules issued by the CFPB have materially restructured the origination, servicing, and securitization of residential mortgages in the United States. These rules have impacted, and will continue to impact, the business practices of mortgage lenders, including the Company.

In January 2021, the OCC released a final rule that would require certain OCC-supervised banks to provide access to services, capital, and credit based on their risk assessment of individual customers, rather than broad-based decisions affecting whole categories or classes of customers, which includes requiring banks to make each financial service they offer available to all persons in the geographic market served by them on proportionally equal terms. The rule was scheduled to take effect on April 1, 2021, but the OCC has delayed the effective date indefinitely. However, the OCC announced that the next confirmed Comptroller of the Currency will review the final rule, and its future remains uncertain.

Available Information

We are subject to the informational requirements of the Exchange Act and, in accordance with the Exchange Act, we file annual, quarterly, and current reports, proxy statements, and other information with the SEC. The SEC 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, including any related amendments, filed by us with, or furnished by us to, the SEC are also available free of charge at our Internet web site as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The address of the site is http://www.huntington.com. Except as specifically incorporated by reference into this Annual Report on Form 10-K, 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 10004.

Item 1A: Risk Factors

The risks and uncertainties listed below present risks that could have a material impact on Huntington's financial condition, the results of operations or its business. Some of these risks and uncertainties are interrelated and the occurrence of one or more of them may exacerbate the effect of others. The risks and uncertainties described below are not the only ones Huntington faces. Additional risks and uncertainties not presently known to Huntington or that Huntington believes to be immaterial may also adversely affect its business. Additionally refer to factors set forth under the caption "Forward-Looking Statements." For more information on how we manage risks, see discussion in the "Risk Governance" section of our MD&A.

In addition to the other information included or incorporated by reference into this report, readers should carefully consider that the following important factors, among others, could negatively impact our business, future results of operations, and future cash flows materially.

Credit Risks:

Our ACL level may prove to not be adequate or be negatively affected by credit risk exposures which could adversely affect our net income and capital.

Our business depends on the creditworthiness of our customers. Our ACL of $2.3 billion at December 31, 2022, represented management's estimate of the current expected losses in our loan and lease portfolio (ALLL) as well as our unfunded lending commitments (AULC). We regularly review our ACL for appropriateness. In doing so, we consider probability of default, loss given default and exposure at default depending on economic parameters for each month of the remaining contractual term of the credit exposure. The economic parameters are developed using available information relating to past events, current conditions, and reasonable and supportable forecasts. There is no certainty that our ACL will be appropriate over time to cover lifetime losses of the portfolio because of unanticipated adverse changes in the economy, market conditions, or events adversely affecting specific customers, industries, or markets. If the credit quality of our customer base materially decreases, if the risk profile of a market, industry, or group of customers changes materially, or if the ACL is not appropriate, our net income and capital could be materially adversely affected, which could have a material adverse effect on our financial condition and results of operations.

In addition, regulatory review of risk ratings and loan and lease losses may impact the level of the ACL and could have a material adverse effect on our financial condition and results of operations.

Weakness in economic conditions could adversely affect our business.

Continued economic uncertainty and a recessionary or stagnant economy could adversely affect our business, financial condition, and results of operations. Our performance could be negatively affected to the extent there is deterioration in business and economic conditions, including persistent inflation, rising interest rates, supply chain issues or labor shortages, which have direct or indirect material adverse impacts on us, our customers, and our counterparties. These conditions could result in one or more of the following:

- A decrease in the demand for loans and other products and services offered by us;
- A decrease in customer savings generally and in the demand for savings and investment products offered by us; and
- An increase in the number of customers and counterparties who become delinquent, file for protection under bankruptcy laws, or default on their loans or other obligations to us.
- An increase in the number of delinquencies, bankruptcies, or defaults could result in a higher level of NPAs, NCOs, provision for credit losses, and valuation adjustments on loans held for sale.

The markets we serve are dependent on industrial and manufacturing businesses and, thus, are particularly vulnerable to adverse changes in economic conditions affecting these sectors.

A U.S. government debt default would have a material adverse impact on our business and financial performance, including a decrease in the value of Treasury bonds and other government securities held by us, which could negatively impact the Bank’s capital position and its ability to meet regulatory requirements. Other negative impacts could be volatile capital markets, an adverse impact on the U.S. economy and the U.S. dollar, as well as increased default rates among borrowers in light of increased economic uncertainty. Some of these impacts might occur even in the absence of an actual default but as a consequence of extended political negotiations around the threat of such a default and a government shutdown.

Market Risks:

Changes in interest rates could reduce our net interest income, reduce transactional income, and negatively impact the value of our loans, securities, and other assets. This could have an adverse impact on our cash flows, financial condition, results of operations, and capital.

Our results of operations depend substantially on net interest income, which is the difference between interest earned on interest earning assets (such as investments and loans) and interest paid on interest bearing liabilities (such as deposits and borrowings). Interest rates are highly sensitive to many factors, including governmental monetary policies, inflation, and domestic and international economic and political conditions. Conditions such as inflation, deflation, recession, unemployment, money supply, and other factors beyond our control may also affect interest rates. In addition, decisions by the Federal Reserve to increase or reduce the size of its balance sheet or to engage in tapering its purchase of assets may also affect interest rates. If our interest earning assets mature or reprice faster than interest bearing liabilities in a declining interest rate environment, net interest income could be materially adversely impacted. Likewise, if interest bearing liabilities mature or reprice more quickly than interest earning assets in a rising interest rate environment, net interest income could be adversely impacted.

Changes in interest rates can affect the value of loans, securities, assets under management, and other assets, including mortgage servicing rights. An increase in interest rates that adversely affects the ability of borrowers to pay the principal or interest on loans and leases may lead to an increase in NPAs and a reduction of income recognized, which could have a material adverse effect on our results of operations and cash flows. When we place a loan on nonaccrual status, we reverse any accrued but unpaid interest receivable, which decreases interest income. However, we continue to incur interest expense as a cost of funding NALs without any corresponding interest income. In addition, transactional income, including trust income, brokerage income, and gain on sales of loans can vary significantly from period-to-period based on a number of factors, including the interest rate environment. A decline in interest rates along with a flattening yield curve limits our ability to reprice deposits given the current historically low level of interest rates and could result in declining net interest margins if longer duration assets reprice faster than deposits.

Rising interest rates reduce the value of our fixed-rate securities. Any unrealized loss from these portfolios impacts OCI, shareholders’ equity, and the Tangible Common Equity ratio. Any realized loss from these portfolios impacts regulatory capital ratios. In a rising interest rate environment, pension and other post-retirement obligations somewhat mitigate negative OCI impacts from securities and financial instruments. For more information, refer to “Market Risk” of the MD&A.

Certain investment securities, notably mortgage-backed securities, are sensitive to rising and falling rates. Generally, when rates rise, prepayments of principal and interest will decrease, and the duration of mortgage-backed securities will increase. Conversely, when rates fall, prepayments of principal and interest will increase, and the duration of mortgage-backed securities will decrease. In either case, interest rates have a significant impact on the value of mortgage-backed securities.

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.

In addition to volatility associated with interest rates, the Company also has exposure to equity markets related to the investments within the benefit plans and other income from client-based transactions.

Inflation could negatively impact our business, our profitability, and our stock price.

Prolonged periods of inflation may impact our profitability by negatively impacting our fixed costs and expenses, including increasing funding costs and expense related to talent acquisition and retention. Additionally, inflation may lead to a decrease in consumer and clients' purchasing power and negatively affect the need or demand for our products and services. If significant inflation continues, our business could be negatively affected by, among other things, increased default rates leading to credit losses which could decrease our appetite for new credit extensions. These inflationary pressures could result in missed earnings and budgetary projections causing our stock price to suffer.

Industry competition may have an adverse effect on our success.

Our profitability depends on our ability to compete successfully. We operate in a highly competitive environment, and we expect competition to intensify. Certain of our competitors are larger and have more resources than we do, enabling them to be more aggressive than us in competing for loans and deposits. In our market areas, we face competition from other banks and financial service companies that offer similar services. Some of our non-bank competitors are not subject to the same extensive regulations we are and, therefore, may have greater flexibility in competing for business. Technological advances have made it possible for our non-bank competitors to offer products and services that traditionally were banking products and for financial institutions and other companies to provide electronic and internet-based financial solutions, including mobile payments, online deposit accounts, electronic payment processing, and marketplace lending, without having a physical presence where their customers are located. Legislative or regulatory changes also could lead to increased competition in the financial services sector. For example, the Economic Growth Act and the Tailoring Rules reduce the regulatory burden of certain large BHCs and raise the asset thresholds at which more onerous requirements apply, which could cause certain large BHCs to become more competitive or to more aggressively pursue expansion. Our ability to compete successfully depends on a number of factors, including customer convenience, quality of service by investing in new products and services, electronic platforms, personal contacts, pricing, and range of products. If we are unable to successfully compete for new customers and retain our current customers, our business, financial condition, or results of operations may be adversely affected. In particular, if we experience an outflow of deposits as a result of our customers seeking investments with higher yields or greater financial stability, or a desire to do business with our competitors, we may be forced to rely more heavily on borrowings and other sources of funding to operate our business and meet withdrawal demands, thereby adversely affecting our net interest margin. For more information, refer to "Competition" section of Item 1: Business.

The transition away from LIBOR may adversely affect our business.

Central banks around the world, including the Federal Reserve, have commissioned committees and working groups of market participants and official sector representatives to replace LIBOR and replace or reform other interest rate benchmarks. The publication of most LIBOR rates ceased as of the end of December 2021, while certain U.S. dollar LIBOR tenors are expected to continue to be published until June 30, 2023.

A transition away from the widespread use of LIBOR to alternative rates and other potential interest rate benchmark reforms has begun and will continue over the course of the next few years. These reforms may cause such rates to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted.

A group of market participants convened by the Federal Reserve, the Alternative Reference Rate Committee (ARRC), has selected SOFR as its recommended alternative to LIBOR. The Federal Reserve Bank of New York started to publish SOFR in April 2018. SOFR is a broad measure of the cost of overnight borrowings collateralized by Treasury securities that was selected by the ARRC due to the depth and robustness of the U.S. Treasury repurchase market. In January of 2020, Huntington was added as an ARRC member. The passage of the Adjustable Interest Rate (LIBOR) Act by Congress, and the Federal Reserve's implementing rule, should decrease the risk of contracts that are not remediated prior to the cessation deadline by providing the terms for a transition to SOFR.

The market transition away from LIBOR to an alternative reference rate, such as SOFR, is complex and could have a range of adverse effects on our business, financial condition, and results of operations. In particular, any such transition could:

- Adversely affect the interest rates paid or received on, the revenue and expenses associated with or the value of Huntington's LIBOR-based assets and liabilities, which include certain variable rate loans, Huntington's Series B preferred stock, certain of Huntington's junior subordinated debentures, certain of the Bank's senior notes and certain other securities or financial arrangements;
- Adversely affect the interest rates paid or received on, the revenue and expenses associated with or the value of other securities or financial arrangements, given LIBOR's role in determining market interest rates globally;
- Prompt inquiries or other actions from regulators in respect of Huntington's preparation and readiness for the replacement of LIBOR with an alternative reference rate; and
- Result in disputes, litigation, or other actions with counterparties regarding the interpretation and enforceability of certain fallback language in LIBOR-based contracts and securities.

Huntington implemented a LIBOR transition plan in 2018. As of December 31, 2021, the company ceased issuance of new LIBOR loans. Alternative reference rates at this time are predominantly SOFR-based. Systems, products, and analytics have been effectively transitioned away from LIBOR and are utilizing alternative reference rates. Remaining LIBOR transition project activities include remediation of remaining LIBOR products, including acquired products from TCF by June of 2023. We continue to assess the impact on our customers, with any needed LIBOR exceptions escalated to ELT for approval.

The manner and impact of the transition from LIBOR to an alternative reference rate, as well as the effect of these developments on our funding costs, loan, and investment and trading securities portfolios, asset-liability management, and business, is uncertain.

Liquidity Risks:

Changes in Huntington's financial condition or in the general banking industry, or changes in interest rates, could result in a loss of depositor confidence.

Liquidity is the ability to meet cash flow needs on a timely basis at a reasonable cost. The Bank uses its liquidity to extend credit and to repay liabilities as they become due or as demanded by customers.

Our primary source of liquidity is our large supply of deposits from consumer and commercial customers. The continued availability of this supply depends on customer willingness to maintain deposit balances with banks in general and us in particular. The availability of deposits can also be impacted by regulatory changes (e.g., changes in FDIC insurance, liquidity requirements, etc.), changes in the financial condition of Huntington, other banks, or the banking industry in general, changes in the interest rates our competitors pay on their deposits, and other events which can impact the perceived safety or economic benefits of bank deposits. While we make significant efforts to consider and plan for hypothetical disruptions in our deposit funding, market-related, geopolitical, or other events could impact the liquidity derived from deposits.

We are a holding company and depend on dividends by our subsidiaries for most of our funds.

Huntington is an entity separate and distinct from the Bank. The Bank conducts most of our operations, and Huntington depends upon dividends from the Bank to service Huntington's debt and to pay dividends to Huntington's shareholders. The availability of dividends from the Bank is limited by various statutes and regulations. It is possible, depending upon the financial condition including liquidity and capital adequacy of the Bank and other factors, that the OCC could limit the payment of dividends or other payments to Huntington by the Bank. In addition, the payment of dividends by our other subsidiaries is also subject to the laws of the subsidiary's state of incorporation, and regulatory capital and liquidity requirements applicable to such subsidiaries. In the event that the Bank was unable to pay dividends to us, we in turn would likely have to reduce or stop paying dividends on our Preferred and Common Stock. Our failure to pay dividends on our Preferred and Common Stock could have a material adverse effect on the market price of our Preferred and Common Stock. Additional information regarding dividend restrictions is provided in Item 1: Business - Regulatory Matters.

If we lose access to capital markets, we may not be able to meet the cash flow requirements of our depositors, creditors, and borrowers, or have the operating cash needed to fund corporate expansion and other corporate activities.

Wholesale funding sources can include securitization, federal funds purchased, securities sold under repurchase agreements, non-core deposits, and long-term debt. The Bank is also a member of the FHLB, which provides members access to funding through advances collateralized with mortgage-related assets. We maintain a portfolio of highly-rated, marketable securities that is available as a source of liquidity.

Capital markets disruptions can directly impact the liquidity of Huntington and the Bank. The inability to access capital markets funding sources as needed could adversely impact our financial condition, results of operations, cash flows, and level of regulatory-qualifying capital. We may, from time-to-time, consider using our existing liquidity position to opportunistically retire outstanding securities in privately negotiated or open market transactions.

A reduction in our credit rating could adversely affect our access to capital and could increase our cost of funds.

The credit rating agencies regularly evaluate Huntington and the Bank, and credit ratings are based on a number of factors, including our financial strength and ability to generate earnings, as well as factors not entirely within our control, including conditions affecting the financial services industry, the economy, and changes in rating methodologies. There can be no assurance that we will maintain our current credit ratings. A downgrade of the credit ratings of Huntington or the Bank could adversely affect our access to liquidity and capital, and could significantly increase our cost of funds, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing to lend to us or purchase our securities. This could affect our growth, profitability, and financial condition, including liquidity.

Instability in global economic conditions and geopolitical matters, as well as volatility in financial markets, could have a material adverse effect on our results of operations and financial condition.

Instability in global economic conditions and geopolitical matters, as well as volatility in financial markets, could have a material adverse effect on our results of operations and financial condition. The macroeconomic environment in the United States is susceptible to global events and volatility in financial markets. For example, trade negotiations between the U.S. and other nations remain uncertain and could adversely impact economic and market conditions for the Company and its clients and counterparties. In addition, global demand for products may exceed supply during the economic recovery from the COVID-19 pandemic, and such shortages may cause prolonged inflation, adversely impact consumer and business confidence, and adversely affect the economy as well as our financial condition and results.

Operational Risks:

Our operational or security systems or infrastructure, or those of third parties, could fail or be breached, which could disrupt our business and adversely impact our operations, liquidity, and financial condition, as well as cause legal or reputational harm.

The potential for operational risk exposure exists throughout our business and, as a result of our interactions with, and reliance on, third parties, is not limited to our own internal operational functions. Our operational and security systems and infrastructure, including our computer systems, data management, and internal processes, as well as those of third parties, are integral to our performance. We rely on our employees and third parties in our day-to-day and ongoing operations, who may, as a result of human error, misconduct, malfeasance, failure, or breach of our or of third-party systems or infrastructure, expose us to risk. For example, our ability to conduct business may be adversely affected by any significant disruptions to us or to third parties with whom we interact or upon whom we rely. Our financial, accounting, data processing, backup, or other operating or security systems and infrastructure may fail to operate properly or become disabled or damaged as a result of a number of factors, including events that are wholly or partially beyond our control, which could adversely affect our ability to process transactions or provide services. Such events may include: sudden increases in customer transaction volume; electrical, telecommunications, or other major physical infrastructure outages; disease pandemics; cyber-attacks; and events arising from local or larger scale political or social matters, including wars and terrorist attacks. Additional events beyond our control that could impact our business directly or indirectly include natural disasters such as earthquakes and weather events, including tornadoes, hurricanes, and floods. Neither the occurrence nor the potential impact of these events can be predicted, and the frequency and severity of weather events may be impacted by climate changes. In addition, we may need to take our systems off-line if they become infected with malware or a computer virus or as a result of another form of cyber-attack. In the event that backup systems are utilized, they may not process data as quickly as our primary systems and some data might not have been saved to backup systems, potentially resulting in a temporary or permanent loss of such data. In addition, our ability to implement backup systems and other safeguards with respect to third-party systems is more limited than with respect to our own systems. We frequently update our systems to support our operations and growth and to remain compliant with applicable laws, rules, and regulations. This updating entails significant costs and creates risks associated with implementing new systems and integrating them with existing ones, including business interruptions. Implementation and testing of controls related to our computer systems, security monitoring, and retaining and training personnel required to operate our systems also entail significant costs. Operational risk exposures could adversely impact our operations, liquidity, and financial condition, as well as cause reputational harm. In addition, we may not have adequate insurance coverage to compensate for losses from a major interruption.

We face security risks, including denial of service attacks, hacking, social engineering attacks targeting our colleagues and customers, malware intrusion or data corruption attempts, and identity theft that could result in the disclosure of confidential information, adversely affect our business or reputation, and create significant legal and financial exposure.

Our computer systems and network infrastructure and those of third parties, on which we are highly dependent, are subject to security risks and could be susceptible to cyber-attacks, such as denial of service attacks, hacking, terrorist activities, or identity theft. Our business relies on the secure processing, transmission, storage, and retrieval of confidential, proprietary, and other information in our computer and data management systems and networks, and in the computer and data management systems and networks of third parties. In addition, to access our network, products, and services, our customers and other third parties may use personal mobile devices or computing devices that are outside of our network environment and are subject to their own cybersecurity risks.

We, our customers, regulators, and other third parties, including other financial services institutions and companies engaged in data processing, have been subject to, and are likely to continue to be the target of, cyber-attacks. These cyber-attacks include computer viruses, malicious or destructive code, phishing attacks, denial of service or information, ransomware, improper access by employees or vendors, attacks on personal email of employees, ransom demands to not expose security vulnerabilities in our systems or the systems of third parties or other security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss, or destruction of confidential, proprietary, and other information of ours, our employees, our customers, or of third parties, damage our systems or otherwise materially disrupt our or our customers' or other third parties' network access or business operations. As cyber-threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities or incidents. Despite efforts to ensure the integrity of our systems and implement controls, processes, policies, and other protective measures, we may not be able to anticipate all security breaches, nor may we be able to implement sufficient preventive measures against such security breaches, which may result in material losses or consequences for us.

Cybersecurity risks for banking organizations have significantly increased in recent years in part because of the proliferation of new technologies, and the use of the internet and telecommunications technologies to conduct financial transactions. For example, cybersecurity risks may increase in the future as we continue to increase our mobile-payment and other internet-based product offerings and expand our internal usage of web-based products and applications. In addition, cybersecurity risks have significantly increased in recent years in part due to the increased sophistication and activities of organized crime affiliates, terrorist organizations, hostile foreign governments, disgruntled employees or vendors, activists, and other external parties, including those involved in corporate espionage. Even the most advanced internal control environment may be vulnerable to compromise. Due to increasing geopolitical tensions, nation state cyber-attacks and ransomware are both increasing in sophistication and prevalence. Targeted social engineering and email attacks (i.e., "spear phishing" attacks) are becoming more sophisticated and are extremely difficult to prevent. In such an attack, an attacker will attempt to fraudulently induce colleagues, customers, or other users of our systems to disclose sensitive information in order to gain access to our data or that of our clients. Persistent attackers may succeed in penetrating defenses given enough resources, time, and motive. The techniques used by cyber criminals change frequently, may not be recognized until launched, and may not be recognized until well after a breach has occurred. The speed at which new vulnerabilities are discovered and exploited often before security patches are published continues to rise. Remote work further increases the risk that we may experience cyber incidents as a result of our employees, vendors, and other third parties with which we interact working remotely on less secure systems and environments.

The risk of a security breach caused by a cyber-attack at a vendor or by unauthorized vendor access has also increased in recent years. Additionally, the existence of cyber-attacks or security breaches at third-party vendors with access to our data may not be disclosed to us in a timely manner. Further, our ability to monitor our vendors' cybersecurity practices is limited. Although we generally have agreements relating to cybersecurity and data privacy in place with our vendors, we cannot guarantee that such agreements will prevent a cyber-incident impacting our systems or information or enable us to obtain adequate or any reimbursement from our service providers in the event we should suffer any such incidents. Due to applicable laws and regulations or contractual obligations, we may be held responsible for cyber-incidents attributed to our vendors as they relate to the information we share with them.

We also face indirect technology, cybersecurity, and operational risks relating to the customers, clients, and other third parties with whom we do business or upon whom we rely to facilitate or enable our business activities, including, for example, financial counterparties, regulators, and providers of critical infrastructure such as internet access and electrical power. As a result of increasing consolidation, interdependence, and complexity of financial entities and technology systems, a technology failure, cyber-attack, or other information or security breach that significantly degrades, deletes, or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including us. This consolidation, interconnectivity, and complexity increases the risk of operational failure. Any third-party technology failure, cyber-attack, or other information or security breach, termination, or constraint could, among other things, adversely affect our ability to effect transactions, service our clients, manage our exposure to risk, or expand our business.

Cyber-attacks or other information or security breaches, whether directed at us or third parties, may result in a material loss or have material consequences. Furthermore, the public perception that a cyber-attack on our systems has been successful, whether or not this perception is correct, may damage our reputation with customers and third parties with whom we do business. Hacking of personal information and identity theft risks, in particular, could cause serious reputational harm. A successful penetration or circumvention of system security could cause us serious negative consequences, including our loss of customers and business opportunities, costs associated with maintaining business relationships after an attack or breach; significant business disruption to our operations and business, misappropriation, exposure, or destruction of our confidential information, intellectual property, funds, and/or those of our customers; or damage to our or our customers' and/or third parties' computers or systems, and could result in a violation of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in our security measures, reputational damage, reimbursement or other compensatory costs, additional compliance costs, and could adversely impact our results of operations, liquidity and financial condition. In addition, we may not have adequate insurance coverage to compensate for losses from a cybersecurity event.

Cybersecurity and data privacy are areas of heightened legislative and regulatory focus.

As cybersecurity and data privacy risks for banking organizations and the broader financial system have significantly increased in recent years, cybersecurity and data privacy issues have become the subject of increasing legislative and regulatory focus. The federal bank regulatory agencies have proposed regulations that would enhance cyber risk management standards, which would apply to a wide range of large financial institutions and their third-party service providers, including us and the Bank, and would focus on cyber risk governance and management, management of internal and external dependencies, and incident response, cyber resilience, and situational awareness. Several states have also proposed or adopted cybersecurity legislation and regulations, which require, among other things, notification to affected individuals when there has been a security breach of their personal data. For more information regarding cybersecurity and data privacy, refer to Item 1: Business - "Regulatory Matters."

We receive, maintain, and store non-public personal information of our customers and counterparties, including, but not limited to, personally identifiable information and personal financial information. The sharing, use, disclosure, and protection of these types of information are governed by federal and state law. Both personally identifiable information and personal financial information are increasingly subject to legislation and regulation, the intent of which is to protect the privacy of personal information and personal financial information that is collected and handled. For example, in June of 2018, the Governor of California signed into law the CCPA. The CCPA, which became effective on January 1, 2020, applies to for-profit businesses that conduct business in California and meet certain revenue or data collection thresholds. Numerous other states have also enacted or are in the process of enacting state-level privacy, data protection and/or data security laws and regulations. For more information regarding data privacy laws and regulations, refer to Item 1: Business - "Regulatory Matters."

Further, we make public statements about our use, collection, disclosure, and other processing of personal information through our privacy policies, information provided on our website and press statements. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other statements that provide promises and assurances about privacy, data protection, and data security can subject us to potential government or legal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices.

We may become subject to new legislation or regulation concerning cybersecurity or the privacy of personally identifiable information and personal financial information or of any other information we may store or maintain. We could be adversely affected if new legislation or regulations are adopted or if existing legislation or regulations are modified such that we are required to alter our systems or require changes to our business practices or privacy policies. If cybersecurity, data privacy, data protection, data transfer, or data retention laws are implemented, interpreted, or applied in a manner inconsistent with our current practices, we may be subject to fines, litigation, or regulatory enforcement actions or ordered to change our business practices, policies, or systems in a manner that adversely impacts our operating results.

We face significant operational risks which could lead to financial loss, expensive litigation, and loss of confidence by our customers, regulators, and capital markets.

We are exposed to many types of operational risks, including the risk of fraud or theft by colleagues or outsiders, unauthorized transactions by colleagues or outsiders, operational errors by colleagues, business disruption, and system failures. Huntington executes against a significant number of controls, a large percent of which are manual and dependent on adequate execution by colleagues and third-party service providers. There is inherent risk that unknown single points of failure through the execution chain could give rise to material loss through inadvertent errors or malicious attack. These operational risks could lead to financial loss, expensive litigation, and loss of confidence by our customers, regulators, and the capital markets.

Moreover, negative public opinion can result from our actual or alleged conduct in any number of activities, including clients, products, and business practices; corporate governance; acquisitions; and from actions taken by government regulators and community organizations in response to those activities. Negative public opinion can adversely affect our ability to attract and retain customers and can also expose us to litigation and regulatory action.

Relative to acquisitions, we incur risks and challenges associated with the integration of employees, accounting systems, and technology platforms from acquired businesses and institutions in a timely and efficient manner, and we cannot guarantee that we will be successful in retaining existing customer relationships or achieving anticipated operating efficiencies expected from such acquisitions. Acquisitions may be subject to the receipt of approvals from certain governmental authorities, including the Federal Reserve, the OCC, and the United States Department of Justice, as well as the approval of our shareholders and the shareholders of companies that we seek to acquire. These approvals for acquisitions may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the acquisitions. Subject to requisite regulatory approvals, future business acquisitions may result in the issuance and payment of additional shares of stock, which would dilute current shareholders’ ownership interests. Additionally, acquisitions may involve the payment of a premium over book and market values. Therefore, dilution of our tangible book value and net income per common share could occur in connection with any future transaction.

Failure to maintain effective internal controls over financial reporting could impair our ability to accurately and timely report our financial results or prevent fraud, resulting in loss of investor confidence and adversely affecting our business and our stock price.

Effective internal controls over financial reporting are necessary to provide reliable financial reports and prevent fraud. We are subject to regulation that focuses on effective internal controls and procedures. Such controls and procedures are modified, supplemented, and changed from time-to-time as necessitated by our growth and in reaction to external events and developments. Any failure to maintain an effective internal control environment could impact our ability to report our financial results on an accurate and timely basis, which could result in regulatory actions, loss of investor confidence, and an adverse impact on our business and our stock price.

We rely on quantitative models to measure risks and to estimate certain financial values.

Quantitative models may be used to help manage certain aspects of our business and to assist with certain business decisions, including estimating expected lifetime credit losses, measuring the fair value of financial instruments when reliable market prices are unavailable, estimating the effects of changing interest rates and other market measures on our financial condition and results of operations, managing risk, and for capital planning purposes (including during the CCAR capital planning and capital adequacy process). Our measurement methodologies rely on many assumptions, historical analyses, and correlations. These assumptions may not capture or fully incorporate conditions leading to losses, particularly in times of market distress, and the historical correlations on which we rely may no longer be relevant. Additionally, as businesses and markets evolve, our measurements may not accurately reflect this evolution. Even if the underlying assumptions and historical correlations used in our models are adequate, our models may be deficient due to errors in computer code, inaccurate data, misuse of data, or the use of a model for a purpose outside the scope of the model’s design.

All models have certain limitations. Reliance on models presents the risk that our business decisions based on information incorporated from models will be adversely affected due to incorrect, missing, or misleading information. In addition, our models may not capture or fully express the risks we face, may suggest that we have sufficient capitalization when we do not, or may lead us to misjudge the business and economic environment in which we will operate. If our models fail to produce reliable results on an ongoing basis, we may not make appropriate risk management, capital planning, or other business or financial decisions. Strategies that we employ to manage and govern the risks associated with our use of models may not be effective or fully reliable. Also, information that we provide to the public or regulators based on poorly designed models could be inaccurate or misleading.

Banking regulators continue to focus on the models used by banks and bank holding companies in their businesses. Some of our decisions that the regulators evaluate, including distributions to our shareholders, could be affected adversely due to their perception that the quality of the models used to generate the relevant information are insufficient.

We rely on third parties to provide key components of our business infrastructure.

We rely on third-party service providers to leverage subject matter expertise and industry best practice, provide enhanced products and services, and reduce costs. Although there are benefits in entering into third-party relationships with vendors and others, there are risks associated with such activities. When entering a third-party relationship, the risks associated with that activity are not passed to the third-party but remain our responsibility. The Technology Committee of the board of directors provides oversight related to the overall risk management process associated with third-party relationships. Management is accountable for the review and evaluation of all new and existing third-party relationships. Management is responsible for ensuring that adequate controls are in place to protect us and our customers from the risks associated with vendor relationships.

Increased risk could occur based on poor planning, oversight, control, and inferior performance or service on the part of the third-party and may result in legal costs or loss of business. While we have implemented a vendor management program to actively manage the risks associated with the use of third-party service providers, any problems caused by third-party service providers could adversely affect our ability to deliver products and services to our customers and to conduct our business. Replacing a third-party service provider could also take a long period of time and result in increased expenses.

Changes in accounting policies, standards, and interpretations could affect how we report our financial condition and results of operations.

The FASB, regulatory agencies, and other bodies that establish accounting standards periodically change the financial accounting and reporting standards governing the preparation of our financial statements. Additionally, those bodies that establish and interpret the accounting standards (such as the FASB, SEC, and banking regulators) may change prior interpretations or positions on how these standards should be applied.

For further discussion, see Note 2 - “Accounting Standards Update” to the Consolidated Financial Statements.

Impairment of goodwill could require charges to earnings, which could result in a negative impact on our results of operations.

Our goodwill could become impaired in the future. If goodwill were to become impaired, it could limit the ability of the Bank to pay dividends to Huntington, adversely impacting Huntington liquidity and ability to pay dividends or repay debt. Assumptions affecting our goodwill impairment evaluation include earnings projections, the discount rates used in the income approach to measure fair value, and observed peer multiples used in estimating the fair value under the market approach. We are required to test goodwill for impairment at least annually or when impairment indicators are present. If an impairment determination is made in a future reporting period, our earnings and book value of goodwill will be reduced by the amount of the impairment. If an impairment loss is recorded, it will have little or no impact on the tangible book value of our Common Stock, or our regulatory capital levels, but such an impairment loss could significantly reduce the Bank's earnings and thereby restrict the Bank's ability to make dividend payments to us without prior regulatory approval, because Federal Reserve policy states the bank holding company dividends should be paid from current earnings. At December 31, 2022, the book value of our goodwill was $5.6 billion, substantially all of which was recorded at the Bank. Any such write down of goodwill or other acquisition related intangibles will reduce Huntington's earnings, as well.

Climate change manifesting as physical or transition risks could adversely affect our operations, businesses, and customers.

There is an increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include discrete events, such as flooding and wildfires, and longer-term shifts in climate patterns, such as extreme heat, sea level rise, and more frequent and prolonged drought. Under medium or longer-term scenarios, such events, if uninterrupted or unaddressed, could disrupt our operations or those of our customers or third parties on which we rely, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility. Additionally, transitioning to a low-carbon economy may entail extensive policy, legal, technology and market initiatives. Transition risks, including changes in consumer preferences and additional regulatory requirements or supervisory expectations or taxes, could increase our expenses and undermine our strategies. In addition, our reputation and client relationships may be damaged as a result of our practices related to climate change, including our involvement, or our customers' involvement, in certain industries or projects, in the absence of mitigation and/or transition measures, associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. As climate risk is interconnected with all key risk types, we have established a formal climate risk program to embed climate risk considerations into our risk management processes across all established risk pillars, such as market, credit, and operational risks. While the timing and severity of climate change may not be entirely predictable and our risk management processes may not be effective in mitigating climate risk exposure, we continue to build capabilities to identify, assess, and manage climate risks.

The effects of COVID-19 have adversely impacted our operations and financial performance, and it, or a similar health crisis or pandemic, could have similar adverse impacts in future periods.

Although U.S. and global economies have begun to recover from the COVID-19 pandemic as many health and safety restrictions have been lifted and vaccine distribution has increased, certain adverse consequences of the pandemic, including labor shortages, disruptions of global supply chains, and inflationary pressures, continue to impact the macroeconomic environment and could adversely affect our business.

The pandemic has caused us, and could continue to cause us, to recognize credit losses in our loan portfolios and increases in our allowance for credit losses should the effects of the pandemic continue for an extended period of time or worsen. Furthermore, the pandemic could cause us to recognize impairment of our goodwill and our financial assets. Sustained adverse effects may also increase our cost of capital, prevent us from satisfying our minimum regulatory capital ratios and other supervisory requirements, or result in downgrades in our credit ratings.

The COVID-19 pandemic has resulted in heightened operational risks. Many of our colleagues continue to work remotely at least on a part-time basis, which may create additional cybersecurity risk and opportunities for cybercriminals to exploit vulnerabilities. Cybercriminals have increased their attempts to compromise business emails, including an increase in phishing attempts, and fraudulent vendors or other parties may view the pandemic as an opportunity to prey upon consumers and businesses during this time. The increase in online and remote banking activities may also increase the risk of fraud in certain instances.

Compliance Risks:

We operate in a highly regulated industry, and the laws and regulations that govern our operations, corporate governance, executive compensation and financial accounting, or reporting, including changes in them, or our failure to comply with them, may adversely affect us.

The banking industry is highly regulated. We are subject to supervision, regulation, and examination by various federal and state regulators, including the Federal Reserve, OCC, SEC, CFPB, FDIC, FINRA, and various state regulatory agencies. The statutory and regulatory framework that governs us is generally intended to protect depositors and customers, the DIF, the U.S. banking and financial system, and financial markets as a whole - not to protect shareholders. These laws and regulations, among other matters, prescribe minimum capital requirements, impose limitations on our business activities (including foreclosure and collection practices), limit the dividend or distributions that we can pay, restrict the ability of institutions to guarantee our debt, and impose certain specific accounting requirements that may be more restrictive and may result in greater or earlier charges to earnings or reductions in our capital than accounting principles generally accepted in the United States. Compliance with laws and regulations can be difficult and costly, and changes to laws and regulations often impose additional compliance costs. Such regulation and supervision may increase our costs and limit our ability to pursue business opportunities. Further, our failure to comply with these laws and regulations, even if the failure was inadvertent or reflects a difference in interpretation, could subject us to restrictions on our business activities, fines, and other penalties, any of which could adversely affect our results of operations, capital base, and the price of our securities. Further, any new laws, rules, and regulations could make compliance more difficult or expensive or otherwise adversely affect our business and financial condition.

Legislative and regulatory actions taken now or in the future that impact the financial industry may materially adversely affect us by increasing our costs, adding complexity in doing business, impeding the efficiency of our internal business processes, negatively impacting the recoverability of certain of our recorded assets, requiring us to increase our regulatory capital, limiting our ability to pursue business opportunities, and otherwise resulting in a material adverse impact on our financial condition, results of operation, liquidity, or stock price.

Both the scope of the laws and regulations and the intensity of the supervision to which we are subject increased in response to the financial crisis, as well as other factors such as technological and market changes. Regulatory enforcement and fines have also increased across the banking and financial services sector. Compliance with these laws and regulations have resulted in and will continue to result in additional costs, which could be significant, and may have a material and adverse effect on our results of operations. In addition, if we do not appropriately comply with current or future legislation and regulations, especially those that apply to our consumer operations, which has been an area of heightened focus, we may be subject to fines, penalties or judgments, or material regulatory restrictions on our businesses, which could adversely affect operations and, in turn, financial results.

We expect the current administration will continue to implement a regulatory reform agenda that is significantly different than that of the former administration. This reform agenda could include a heightened focus on consumer protection, fair lending, the regulation of loan portfolios and credit concentrations to borrowers impacted by climate change, heightened scrutiny on Bank Secrecy Act and AML requirements, topics related to social equity, executive compensation, and increased capital and liquidity, as well as limits on share buybacks and dividends. In addition, mergers and acquisitions could be dampened by increased antitrust scrutiny. We also expect reform proposals for the short-term wholesale markets. It is too early for us to assess the extent to which these policies would be implemented and what their impact on our business will be.

The resolution of significant pending litigation, if unfavorable, could have an adverse effect on our results of operations for a particular period.

We face legal risks in our businesses, and the volume of claims and amount of damages and penalties claimed in litigation and regulatory proceedings against financial institutions remain high. Substantial legal liability against us could have material adverse financial effects or cause significant reputational harm to us, which in turn could seriously harm our business prospects. It is possible that the ultimate resolution of these matters, if unfavorable, may be material to the results of operations for a particular reporting period.

For more information on litigation risks, see Note 22 - "Commitments and Contingent Liabilities" to the Consolidated Financial Statements.

Noncompliance with the Bank Secrecy Act and other anti-money laundering statutes and regulations could cause us material financial loss.

The Bank Secrecy Act and the Patriot Act contain anti-money laundering and financial transparency provisions intended to detect and prevent the use of the U.S. financial system for money laundering and terrorist financing activities. The Bank Secrecy Act, as amended by the Patriot Act, requires depository institutions and their holding companies to undertake activities including maintaining an anti-money laundering program, verifying the identity of clients, monitoring for and reporting suspicious transactions, reporting on cash transactions exceeding specified thresholds, and responding to requests for information by regulatory authorities and law enforcement agencies. FinCEN, a unit of the Treasury Department that administers the Bank Secrecy Act, is authorized to impose significant civil money penalties for violations of those requirements and has recently engaged in coordinated enforcement efforts with the federal bank regulatory agencies, as well as the United States Department of Justice, Drug Enforcement Administration, and IRS.

There is also increased scrutiny of compliance with the rules enforced by the OFAC. If our policies, procedures, and systems are deemed deficient or the policies, procedures, and systems of the financial institutions that we have already acquired or may acquire in the future are deficient, we would be subject to liability, including fines and regulatory actions such as restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain planned business activities, including acquisition plans, which would negatively impact our business, financial condition, and results of operations. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us.

For more information regarding the Bank Secrecy Act, Patriot Act, anti-money laundering requirements and OFAC-administered sanctions, refer to Item 1: Business - "Regulatory Matters."

Strategic Risk:

We operate in a highly competitive industry which depends on our ability to successfully execute our strategic plan and adapt our products and services to evolving industry standards and consumer preferences.

We are subject to intense competition from both other financial institutions and from non-bank entities, including FinTech companies. Technology has lowered the barriers to entry, with customers having a growing variety of traditional and nontraditional alternatives, including crowdfunding, digital wallets, and money transfer services. The continuous widespread adoption of new technologies, including internet services and mobile applications, and advanced ATM functionality, is influencing how individuals and firms conduct their financial affairs and is changing the delivery channels for financial services. Our "People-First, Digitally-Powered" strategic plan considers the implications of these changes in technology. Additionally, these changes require us to adapt our product and services, as well as our distribution of them, to evolving industry standards and customer preferences. Failure to address competitive pressures could make it more difficult for us to attract and retain customers across our businesses.

Our success depends, in part, on our ability to successfully implement our strategic plan as well as adapt existing products and services and develop competitive new products and services demanded by our customers. The widespread adoption of technologies will continue to require substantial investments to modify or adapt existing products and services and to develop new product or services. Additionally, we may not be successful in executing our strategic plan, introducing new products or services, achieving market acceptance of new product or services, anticipating or reacting to customers changing preferences, or attracting and retaining loyal customers.

We depend on our executive officers and key personnel to continue the implementation of our long-term business strategy and could be harmed by the loss of their services.

We believe that our continued growth and future success will depend in large part on the skills of our management team and our ability to motivate and retain these individuals and other key personnel. The loss of service of one or more of our executive officers or key personnel could reduce our ability to successfully implement our long-term business strategy, our business could suffer, and the value of our stock could be materially adversely affected. Leadership changes will occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit additional qualified personnel. We believe our management team possesses valuable knowledge about the banking industry and that their knowledge and relationships would be very difficult to replicate. Our success also depends on the experience of our branch managers and lending officers and on their relationships with the customers and communities they serve. The loss of these key personnel could negatively impact our banking operations. The loss of key personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition, or operating results.

Bank regulations regarding capital and liquidity, including the CCAR assessment process and the U.S. Basel III capital and liquidity standards, could require higher levels of capital and liquidity. Among other things, these regulations could impact our ability to pay common stock dividends, repurchase common stock, attract cost-effective sources of deposits, or require the retention of higher amounts of low yielding securities.

The Federal Reserve administers CCAR, a periodic forward-looking quantitative assessment of Huntington's capital adequacy and planned capital distributions and a review of the strength of Huntington's practices to assess capital needs. The Federal Reserve makes a quantitative assessment of capital based on supervisory-run stress tests that assess the ability to maintain capital levels above each minimum regulatory capital ratio after making all capital actions included in Huntington's capital plan, under baseline and stressful conditions throughout a nine-quarter planning horizon. The CCAR process is also used to determine Huntington's SCB requirement. There can be no assurance that the Federal Reserve or OCC will respond favorably to our capital plans, planned capital actions, or stress test results, and the Federal Reserve, OCC, or other regulatory capital requirements may limit or otherwise restrict how we utilize our capital, including common stock dividends and stock repurchases.

We are also required to maintain minimum capital ratios and the Federal Reserve and OCC may determine that Huntington and/or the Bank, based on size, complexity, or risk profile, must maintain capital ratios above these minimums in order to operate in a safe and sound manner. In the event we are required to raise capital to maintain required minimum capital and leverage ratios or ratios above the required applicable minimums, we may be forced to do so when market conditions are undesirable or on terms that are less favorable to us than we would otherwise require. Furthermore, in order to prevent becoming subject to restrictions on our ability to distribute capital or make certain discretionary bonus payments to management, the Bank must maintain a CCB of 2.5%, and Huntington must maintain the applicable SCB determined as part of the CCAR process, which are in addition to our required minimum capital ratios.

For more information regarding CCAR, stress testing, and capital and liquidity requirements, refer to Item 1: Business - "Regulatory Matters."

If our regulators deem it appropriate, they can take regulatory actions that could result in a material adverse impact on our financial results, ability to compete for new business, or preclude mergers or acquisitions. In addition, regulatory actions could constrain our ability to fund our liquidity needs or pay dividends. Any of these actions could increase the cost of our services.

We are subject to the supervision and regulation of various state and federal regulators, including the OCC, Federal Reserve, FDIC, SEC, CFPB, FINRA, and various state regulatory agencies. As such, we are subject to a wide variety of laws and regulations, many of which are discussed in Item 1: Business - "Regulatory Matters." As part of their supervisory process, which includes periodic examinations and continuous monitoring, the regulators have the authority to impose restrictions or conditions on our activities and the manner in which we manage the organization. Such actions could negatively impact us in a variety of ways, including charging monetary fines, impacting our ability to pay dividends, precluding mergers or acquisitions, limiting our ability to offer certain products or services, or imposing additional capital requirements.

Under the supervision of the CFPB, our Consumer and Business Banking products and services are subject to heightened regulatory oversight and scrutiny with respect to compliance under consumer laws and regulations. We may face a greater number or wider scope of investigations, enforcement actions, and litigation in the future related to consumer practices, thereby increasing costs associated with responding to or defending such actions. Also, federal and state regulators have been increasingly focused on sales practices of branch personnel, including taking regulatory action against other financial institutions. In addition, increased regulatory inquiries and investigations, as well as any additional legislative or regulatory developments affecting our consumer businesses, and any required changes to our business operations resulting from these developments, could result in significant loss of revenue, require remuneration to our customers, trigger fines or penalties, limit the products or services we offer, require us to increase our prices and, therefore, reduce demand for our products, impose additional compliance costs on us, increase the cost of collection, cause harm to our reputation, or otherwise adversely affect our consumer businesses.

In addition, we are allowed to conduct certain activities that are financial in nature by virtue of Huntington's status as an FHC, as discussed in more detail in Item 1. Regulatory Matters. If Huntington or the Bank cease to meet the requirements necessary for Huntington to continue to qualify as an FHC, the Federal Reserve may impose upon us corrective capital and managerial requirements, and may place limitations on our ability to conduct all of the business activities that we conduct as an FHC. If the failure to meet these standards persists, we could be required to divest our Bank, or cease all activities other than those activities that may be conducted by a BHC but not an FHC.

Reputation Risk:

Damage to our reputation could significantly harm our business, including our competitive position and business prospects.

Our ability to attract and retain customers, clients, investors, and employees is affected by our reputation. Significant harm to our reputation can arise from various sources, including officer, director, or employee misconduct, actual or perceived unethical behavior, conflicts of interest, security breaches, litigation or regulatory outcomes, compensation practices, failing to deliver minimum or required standards of service and quality, failing to address customer and agency complaints, compliance failures, unauthorized release of personal, proprietary or confidential information due to cyber-attacks or otherwise, perception of our environmental, social, and governance practices and disclosures, and the activities of our clients, customers, and counterparties, including vendors. Actions by the financial service industry generally or by institutions or individuals in the industry can adversely affect our reputation indirectly by association. In addition, adverse publicity or negative information posted on social media, whether or not factually correct, may affect our business prospects. All of these could adversely affect our growth, results of operation, and financial condition.

Item 1B: Unresolved Staff Comments

None.

Item 2: Properties

Our headquarters, as well as the Bank's, is located in the Huntington Center, a thirty-seven story office building located in Columbus, Ohio. Of the building's total office space available, we lease approximately 22%. The lease term expires in 2030, with six five-year renewal options for up to 30 years but with no purchase option. The Bank has an indirect minority equity interest of 18% in the building. Our commercial headquarters is located in the Detroit Tower, a twenty story office building, located in Detroit, Michigan. We lease the entirety of the building's total office space available. The lease term expires in 2044, with four seven-year renewal options for up to 28 years with no purchase option. The Bank has no ownership interest in the building.

We own or lease numerous other premises for use in conducting business activities, including operations centers, offices, and branches and other facilities. We consider the facilities owned or occupied under lease by our subsidiaries to be adequate for the purposes of our business operations. Additional information regarding our properties is set forth in Note 9 - "Premises and Equipment" and Note 10 - "Operating Leases" of the Notes to Consolidated Financial Statements and is incorporated into this item by reference.

Item 3: Legal Proceedings

Information required by this item is set forth in Note 22 - "Commitments and Contingent Liabilities" of the Notes to Consolidated Financial Statements under the caption "Litigation and Regulatory Matters" and is incorporated into this Item by reference.

Item 4: Mine Safety Disclosures

Not applicable.

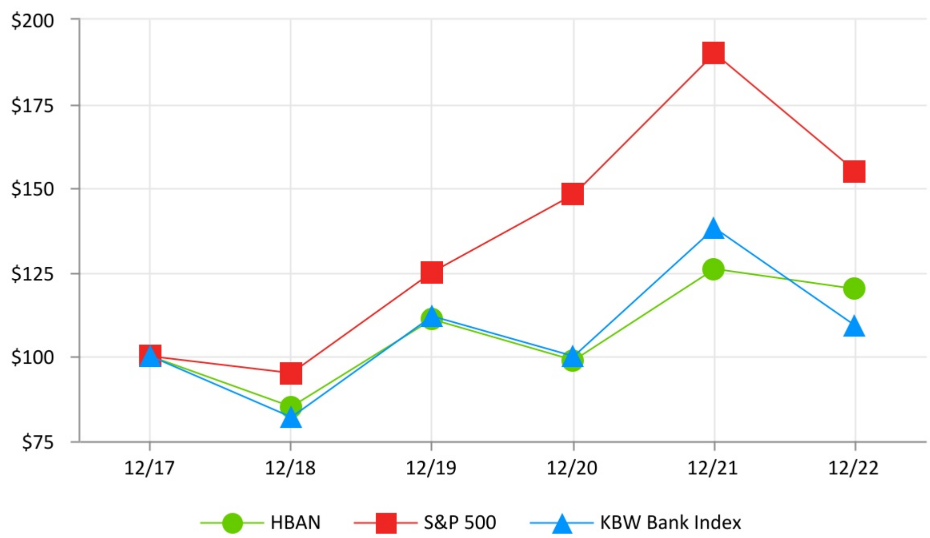
PART II

Item 5: Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The common stock of Huntington Bancshares Incorporated is traded on the Nasdaq Global Stock Market under the symbol “HBAN.” As of January 31, 2023, we had 30,985 shareholders of record.

Information regarding restrictions on dividends, as required by this Item, is set forth in Item 1: “Business -Regulatory Matters” and in Note 23 - “Other Regulatory Matters” of the Notes to Consolidated Financial Statements and incorporated into this Item by reference.

The following graph shows the changes, over the five-year period, in the value of $100 invested in (i) shares of Huntington’s Common Stock; (ii) the Standard & Poor’s 500 Stock Index (the S&P 500 Index) and (iii) Keefe, Bruyette & Woods Bank Index, for the period December 31, 2017, through December 31, 2022. The KBW Bank Index is a market capitalization-weighted bank stock index published by Keefe, Bruyette & Woods. The index is composed of the largest banking companies and includes all money center banks and regional banks, including Huntington. An investment of $100 on December 31, 2017, and the reinvestment of all dividends, are assumed. The plotted points represent the cumulative total return on the last trading day of the fiscal year indicated.



	2017	2018	2019	2020	2021	2022
HBAN	$100	$85	$111	$99	$126	$120
S&P 500	100	95	125	148	190	155
KBW Bank Index	100	82	112	100	138	109

For information regarding securities authorized for issuance under Huntington’s equity compensation plans, see Part III, Item 12.

Item 6:

[Reserved]

Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

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 should be read in conjunction with the Consolidated Financial Statements, Notes to Consolidated Financial Statements, and other information contained in this report. The forward-looking statements in this section and other parts of this report involve assumptions, risks, uncertainties, and other factors, including statements regarding our plans, objectives, goals, strategies, and financial performance. Our actual results could differ materially from the results anticipated in these forward-looking statements as a result of factors set forth under the caption "Forward-Looking Statements" and those set forth in Item 1A.

EXECUTIVE OVERVIEW

Acquisitions

In June 2021, Huntington closed the acquisition of TCF Financial Corporation. Historical periods prior to June 9, 2021 reflect results of legacy Huntington operations. Subsequent to closing, results reflect all post-acquisition activity. For further information, refer to Note 3 "Business Combinations" of the Notes to Consolidated Financial Statements.

In May 2022, Huntington completed the acquisition of Torana, now known as Huntington Choice Pay, a digital payments business focused on business to consumer payments. This acquisition, along with the formation of our enterprise-wide payments group, reflects one of our strategic priorities to accelerate our payments capabilities and expand the services provided to our customers.

In June 2022, Huntington completed the acquisition of Capstone Partners, a top tier middle market investment bank and advisory firm. The transaction brings a national scale to serve middle market business owners throughout the corporate lifecycle, building on Huntington's regional banking foundation. Capstone Partners related revenue, including mergers and acquisitions, capital raising and other advisory-related fees, is recognized within capital markets fees in the Consolidated Statements of Income. For further information, refer to Note 3 "Business Combinations" of the Notes to Consolidated Financial Statements.

2022 Financial Performance Review

In 2022, we reported net income of $2.2 billion, a $943 million, or 73%, increase from the prior year. Earnings per common share on a diluted basis for the year were $1.45, up 61% from the prior year. The current year reported net income was negatively impacted by acquisition-related expenses totaling $95 million, or $76 million after tax ($0.05 per common share), compared to $701 million, or $566 million after tax ($0.44 per common share) in the prior year.

Net interest income for 2022 was $5.3 billion, up $1.2 billion, or 29%, from 2021. FTE net interest income, a non-GAAP financial measure, increased $1.2 billion, or 29%, from 2021. The increase in FTE net interest income reflected the benefit of a $23.3 billion, or 17%, increase in average earning assets in addition to a 30 basis point increase in the FTE NIM to 3.25%. Average earning asset growth included an $18.4 billion, or 19%, increase in average loans and leases and an $8.9 billion, or 27%, increase in average securities. Average balances across earning asset categories reflect organic growth in addition to the late second-quarter 2021 TCF acquisition. The increase in average securities was additionally driven by the redeployment of excess liquidity into securities in the second half of 2021. The NIM expansion was driven by the higher rate environment driving an increase in loan and lease and investment security yields, partially offset by higher cost of funds and the impact of lower accelerated PPP loan fees recognized upon forgiveness payments from the SBA in 2022.

The provision for credit losses increased $264 million to $289 million, primarily due to loan and lease growth and the likelihood of a worsening economic scenario throughout 2022. The reduction in ACL coverage ratios over the course of 2021 reflected more clarity relating to the economic impacts of COVID-19. The ACL was $2.3 billion, or 1.90% of total loans and leases, at December 31, 2022, compared to $2.1 billion, or 1.89% of total loans and leases, at December 31, 2021. The increase in the total ACL was primarily driven by loan and lease growth, but also recognizes the increased near-term recessionary risks at the end of 2022.

Noninterest income was $2.0 billion, up $92 million, or 5%, from the prior year. Noninterest expense was $4.2 billion, down $174 million, or 4%, from the prior year. The changes in noninterest income and noninterest expense were impacted by the full-period impact of the TCF acquisition, completed in June 2021, in addition to the capital markets activity associated with the Capstone Partners acquisition, completed in June 2022. Noninterest expense was additionally impacted by a decrease in acquisition-related expenses of $606 million and the execution of cost reduction initiatives associated with the TCF acquisition.

The tangible common equity to tangible assets ratio was 5.55% at December 31, 2022, down 133 basis points from December 31, 2021, primarily due to a decrease in tangible common equity related to the higher interest rates causing an increase in accumulated other comprehensive loss, partially offset by earnings. CET1 risk-based capital ratio was 9.36%, up from 9.33% at December 31, 2021. The increase in regulatory capital ratios was primarily driven by earnings.

Business Overview

General

Our general business objectives are to:

- Build on our vision to be the country's leading people-first, digitally powered bank
- Drive sustainable long-term revenue growth and efficiency
- Deliver a Category of One customer experience through our distinguished brand and culture
- Extend our digital leadership with focus on ease of use, access to information, and self-service across products and services
- Leverage expertise and capabilities to acquire and deepen relationships and launching of select partnerships
- Maintain positive operating leverage and execute disciplined capital management
- Stability and resilience through risk management, maintaining an aggregate moderate-to-low, through-the-cycle risk appetite

Economy

Growth in economic activity and demand for goods and services, alongside labor shortages, supply chain complications and geopolitical matters, have contributed to rising inflation. In response, the Federal Reserve has raised interest rates and has been reducing the size of its balance sheet. Furthermore, the Federal Reserve has signaled that it would continue to implement these policy actions in order to bring inflation down. The timing and impact of inflation and rising interest rates on our business and related financial results will depend on future developments, which are highly uncertain and difficult to predict. Our businesses and financial results may be impacted by a variety of other factors as well, such as an economic slowdown or recession. Our baseline economic forecast assumes a mild recession in 2023 with modest GDP growth for the full year. We expect the economy to exit the year on the path toward recovery with inflation gradually subsiding.

We delivered positive results in 2022, driven by broad-based loan and lease growth, growth in our deposit base, higher revenue, and disciplined expense management which were marked by the execution of strategic initiatives and acquisition synergies to further expand our capabilities. The addition of Capstone Partners has expanded the expertise we bring to customers, is benefiting our continued efforts to deepen relationships with commercial customers, and is increasing our fee income opportunities. Credit continues to perform well in keeping with our aggregate moderate-to-low, through the-cycle risk appetite. With our disciplined and proactive approach, we believe Huntington is well positioned to manage through the uncertain economic outlook on the horizon. We remain focused on delivering profitable growth and driving value for our shareholders.

Legislative and Regulatory

A comprehensive discussion of legislative and regulatory matters affecting us can be found in Item 1: Business - "Regulatory Matters" section of this Form 10-K.

Table 1 - Selected Year to Date Income Statement Data

	Year Ended December 31,						
		Change from 2021			Change from 2020		
(amounts in millions, except per share data)	2022	Amount	Percent	2021	Amount	Percent	2020
Interest income	$ 5,969	$ 1,778	42 %	$ 4,191	$ 544	15 %	$ 3,647
Interest expense	696	607	NM	89	(334)	(79)	423
Net interest income	5,273	1,171	29	4,102	878	27	3,224
Provision for credit losses	289	264	NM	25	(1,023)	(98)	1,048
Net interest income after provision for credit losses	4,984	907	22	4,077	1,901	87	2,176
Service charges on deposit accounts	384	12	3	372	71	24	301
Card and payment processing income	374	40	12	334	86	35	248
Capital markets fees	252	101	67	151	26	21	125
Trust and investment management services	249	17	7	232	43	23	189
Mortgage banking income	144	(165)	(53)	309	(57)	(16)	366
Leasing revenue	126	27	27	99	78	NM	21
Insurance income	117	12	11	105	8	8	97
Gain on sale of loans	57	48	NM	9	(33)	(79)	42
Bank owned life insurance income	56	(13)	(19)	69	5	8	64
Net gains (losses) on sales of securities	—	(9)	NM	9	10	NM	(1)
Other noninterest income	222	22	11	200	61	44	139
Total noninterest income	1,981	92	5	1,889	298	19	1,591
Personnel costs	2,401	66	3	2,335	643	38	1,692
Outside data processing and other services	610	(240)	(28)	850	466	121	384
Equipment	269	21	8	248	68	38	180
Net occupancy	246	(31)	(11)	277	119	75	158
Marketing	91	2	2	89	51	134	38
Professional services	77	(36)	(32)	113	58	105	55
Deposit and other insurance expense	67	16	31	51	19	59	32
Amortization of intangibles	53	5	10	48	7	17	41
Lease financing equipment depreciation	45	4	10	41	40	NM	1
Other noninterest expense	342	19	6	323	109	51	214
Total noninterest expense	4,201	(174)	(4)	4,375	1,580	57	2,795
Income before income taxes	2,764	1,173	74	1,591	619	64	972
Provision for income taxes	515	221	75	294	139	90	155
Income after income taxes	2,249	952	73	1,297	480	59	817
Income attributable to non-controlling interest	11	9	NM	2	2	NM	—
Net income attributable to Huntington Bancshares Inc	2,238	943	73	1,295	478	59	817
Dividends on preferred shares	113	(18)	(14)	131	31	31	100
Impact of preferred stock redemption	—	(11)	NM	11	11	NM	—
Net income applicable to common shares	$ 2,125	$ 972	84 %	$ 1,153	$ 436	61 %	$ 717
Average common shares—basic	1,441	179	14 %	1,262	245	24 %	1,017
Average common shares—diluted	1,465	178	14	1,287	254	25	1,033
Net income per common share—basic	$ 1.47	$ 0.56	62 %	$ 0.91	$ 0.20	28 %	$ 0.71
Net income per common share—diluted	1.45	0.55	61	0.90	0.21	30	0.69
Cash dividends declared	0.62	0.015	2	0.605	0.005	1	0.60
Revenue and Net Interest Income—FTE (Non-GAAP)							
Net interest income	$ 5,273	$ 1,171	29 %	$ 4,102	$ 878	27 %	$ 3,224
FTE adjustment(1)	31	6	24	25	4	19	21
Net interest income, FTE (non-GAAP)(1)	5,304	1,177	29	4,127	882	27	3,245
Noninterest income	1,981	92	5	1,889	298	19	1,591
Total revenue, FTE (non-GAAP)(1)	$ 7,285	$ 1,269	21 %	$ 6,016	$ 1,180	24 %	$ 4,836

(1) On an FTE basis assuming a 21% tax rate.

DISCUSSION OF RESULTS OF OPERATIONS

This section provides a review of financial performance on a consolidated basis. Key consolidated balance sheet and income statement 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."

For a discussion of our results of operations for 2021 versus 2020, see "Part II, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations" Discussion of Results of Operations included in our 2021 Form 10-K, filed with the SEC on February 18, 2022.

Average Balance Sheet / Net Interest Income

Our primary source of revenue is net interest income, which is the difference between interest income from earning assets (primarily loans, leases, and securities), and interest expense of funding sources (primarily interest-bearing deposits and borrowings). Earning asset balances and related funding sources, as well as changes in the levels of interest rates, impact net interest income. The difference between the average yield on earning assets and the average rate paid for interest-bearing liabilities is the net interest spread. Noninterest-bearing sources of funds, such as demand deposits and shareholders' equity, also support earning assets. The impact of the noninterest-bearing sources of funds, often referred to as "free" funds, is captured in the net interest margin, which is calculated as net interest income divided by average earning assets. Both the net interest margin and net interest spread are presented on an FTE basis, which means that tax-free interest income has been adjusted to a pretax equivalent income, assuming a 21% tax rate.

The following table shows changes in fully-taxable equivalent interest income, interest expense, and net interest income due to volume and rate variances for major categories of earning assets and interest-bearing liabilities:

Table 2 - Change in Net Interest Income Due to Changes in Average Volume and Interest Rates (1)

	2022			2021		
(dollar amounts in millions)	Increase (Decrease) From Previous Year Due To			Increase (Decrease) From Previous Year Due To		
FTE basis (2)	Volume	Yield/ Rate	Total	Volume	Yield/ Rate	Total
Loans and leases	$ 744	$ 437	$ 1,181	$ 659	$ (102)	$ 557
Investment securities	165	367	532	174	(195)	(21)
Other earning assets	(30)	101	71	30	(18)	12
Total interest income from earning assets	879	905	1,784	863	(315)	548
Deposits	11	307	318	46	(199)	(153)
Short-term borrowings	30	15	45	(6)	(6)	(12)
Long-term debt	8	236	244	(38)	(131)	(169)
Total interest expense of interest-bearing liabilities	49	558	607	2	(336)	(334)
Net interest income	$ 830	$ 347	$ 1,177	$ 861	$ 21	$ 882

(1) The change in interest income or expense due to both rate and volume has been allocated between the factors in proportion to the relationship of the absolute dollar amounts of the change in each.
(2) Calculated assuming a 21% tax rate.

Table 3 - Consolidated Average Balance Sheet and Net Interest Margin Analysis

(dollar amounts in millions)	Year ended 2022 Average Balances	2022 Interest Income (FTE) (1)	2022 Yield/ Rate (2)	2021 Average Balances	2021 Interest Income (FTE) (1)	2021 Yield/ Rate (2)	Change from 2021 Average Balances Amount	Change from 2021 Average Balances Percent
Assets:								
Interest-bearing deposits at Federal Reserve Bank	$ 4,626	$ 75	1.63 %	$ 8,129	$ 11	0.14 %	$ (3,503)	(43) %
Interest-bearing deposits in banks	226	8	3.15	372	1	0.04	(146)	(39)
Securities:								
Trading account securities	32	1	4.14	50	1	3.32	(18)	(36)
Available-for-sale securities:								
Taxable	21,994	576	2.62	19,767	261	1.32	2,227	11
Tax-exempt	2,842	94	3.32	2,916	71	2.42	(74)	(3)
Total available-for-sale securities	24,836	670	2.70	22,683	332	1.46	2,153	9
Held-to-maturity securities—taxable	16,509	351	2.13	10,000	174	1.74	6,509	65
Other securities	845	27	3.16	556	10	1.75	289	52
Total securities	42,222	1,049	2.48	33,289	517	1.55	8,933	27
Loans held for sale	973	41	4.24	1,398	41	2.96	(425)	(30)
Loans and leases: (3)								
Commercial:								
Commercial and industrial	43,118	1,875	4.35	36,898	1,446	3.92	6,220	17
Commercial real estate	15,768	683	4.33	11,412	362	3.17	4,356	38
Lease financing	4,974	251	5.04	3,739	186	4.98	1,235	33
Total commercial	63,860	2,809	4.40	52,049	1,994	3.83	11,811	23
Consumer:								
Residential mortgage	20,907	661	3.16	15,953	479	3.00	4,954	31
Automobile	13,454	472	3.51	13,008	471	3.62	446	3
Home equity	10,409	532	5.11	10,018	391	3.90	391	4
RV and marine	5,322	227	4.26	4,672	199	4.27	650	14
Other consumer	1,314	126	9.51	1,118	112	10.04	196	18
Total consumer	51,406	2,018	3.92	44,769	1,652	3.69	6,637	15
Total loans and leases	115,266	4,827	4.19	96,818	3,646	3.77	18,448	19
Total earning assets	163,313	6,000	3.67	140,006	4,216	3.01	23,307	17
Cash and due from banks	1,666			1,356			310	23
Goodwill and other intangible assets	5,688			4,108			1,580	38
All other assets	10,184			8,804			1,380	16
Allowance for loan and lease losses	(2,083)			(1,993)			(90)	(5)
Total assets	$ 178,768			$ 152,281			$ 26,487	17 %
Liabilities and Shareholders' Equity:								
Interest-bearing deposits:								
Demand deposits—interest-bearing	$ 41,779	$ 158	0.38 %	$ 32,708	$ 12	0.04 %	$ 9,071	28 %
Money market deposits	33,733	112	0.33	30,039	21	0.07	3,694	12
Savings and other domestic deposits	21,316	5	0.02	17,357	5	0.03	3,959	23
Core certificates of deposit (4)	2,439	12	0.50	2,368	1	0.03	71	3
Other domestic deposits of $250,000 or more	233	1	0.47	353	1	0.21	(120)	(34)
Negotiable CDs, brokered and other deposits	3,838	75	1.96	3,525	5	0.16	313	9
Total interest-bearing deposits	103,338	363	0.35	86,350	45	0.05	16,988	20
Short-term borrowings	2,485	46	1.86	278	1	0.20	2,207	NM
Long-term debt (5)	8,724	287	3.29	7,479	43	0.57	1,245	17
Total interest-bearing liabilities	114,547	696	0.61	94,107	89	0.09	20,440	22
Demand deposits—noninterest-bearing	41,574			37,960			3,614	10
All other liabilities	4,353			3,205			1,148	36
Total Huntington Bancshares Inc shareholders' equity	18,263			16,997			1,266	7
Non-controlling interest	31			12			19	NM
Total equity	18,294			17,009			1,285	8
Total liabilities and shareholders' equity	$ 178,768			$ 152,281			$ 26,487	17 %
Net interest rate spread			3.06			2.92		
Impact of noninterest-bearing funds on margin			0.19			0.03		
Net interest margin/NII		$ 5,304	3.25 %		$ 4,127	2.95 %		

(1) FTE yields are calculated assuming a 21% tax rate.
(2) Average yield/rates include the impact of applicable derivatives. Loan and lease and deposit average yield/rates also include impact of applicable non-deferrable and amortized fees.
(3) For purposes of this analysis, NALs are reflected in the average balances of loans and leases.
(4) Includes consumer certificates of deposit of $250,000 or more.
(5) Reflects the benefit of $89 million mark-to-market of interest rate caps for 2021. There was no impact for 2022.

Table 3 - Consolidated Average Balance Sheet and Net Interest Margin Analysis (Continued)

(dollar amounts in millions)	2021 Average Balances	2021 Interest Income (FTE) (1)	2021 Yield/ Rate (2)	2020 Average Balances	2020 Interest Income (FTE) (1)	2020 Yield/ Rate (2)	Change from 2020 Average Balances Amount	Change from 2020 Average Balances Percent
Assets:								
Interest-bearing deposits at Federal Reserve Bank	$ 8,129	$ 11	0.14 %	$ 3,874	$ 6	0.15 %	$ 4,255	110 %
Interest-bearing deposits in banks	372	1	0.04	176	1	0.47	196	111
Securities:								
Trading account securities	50	1	3.32	59	2	3.10	(9)	(15)
Available-for-sale securities:								
Taxable	19,767	261	1.32	11,392	237	2.08	8,375	74
Tax-exempt	2,916	71	2.42	2,735	77	2.84	181	7
Total available-for-sale securities	22,683	332	1.46	14,127	314	2.23	8,556	61
Held-to-maturity securities—taxable	10,000	174	1.74	9,248	216	2.33	752	8
Other securities	556	10	1.75	443	6	1.41	113	26
Total securities	33,289	517	1.55	23,877	538	2.25	9,412	39
Loans held for sale	1,398	41	2.96	1,121	34	3.06	277	25
Loans and leases: (3)								
Commercial:								
Commercial and industrial	36,898	1,446	3.92	31,624	1,166	3.69	5,274	17
Commercial real estate	11,412	362	3.17	7,054	225	3.19	4,358	62
Lease financing	3,739	186	4.98	2,293	124	5.42	1,446	63
Total commercial	52,049	1,994	3.83	40,971	1,515	3.70	11,078	27
Consumer:								
Residential mortgage	15,953	479	3.00	11,694	406	3.47	4,259	36
Automobile	13,008	471	3.62	12,838	504	3.93	170	1
Home equity	10,018	391	3.90	8,930	358	4.01	1,088	12
RV and marine	4,672	199	4.27	3,876	181	4.68	796	21
Other consumer	1,118	112	10.04	1,086	125	11.48	32	3
Total consumer	44,769	1,652	3.69	38,424	1,574	4.10	6,345	17
Total loans and leases	96,818	3,646	3.77	79,395	3,089	3.89	17,423	22
Total earning assets	140,006	4,216	3.01	108,443	3,668	3.38	31,563	29
Cash and due from banks	1,356			1,124			232	21
Goodwill and other intangible assets	4,108			2,201			1,907	87
All other assets	8,804			7,045			1,759	25
Allowance for loan and lease losses	(1,993)			(1,581)			(412)	(26)
Total assets	$ 152,281			$ 117,232			$ 35,049	30 %
Liabilities and Shareholders' Equity:								
Interest-bearing deposits:								
Demand deposits—interest-bearing	$ 32,708	$ 12	0.04 %	$ 23,514	$ 32	0.14 %	$ 9,194	39 %
Money market deposits	30,039	21	0.07	25,695	100	0.39	4,344	17
Savings and other domestic deposits	17,357	5	0.03	10,720	10	0.09	6,637	62
Core certificates of deposit (4)	2,368	1	0.03	2,610	38	1.44	(242)	(9)
Other domestic deposits of $250,000 or more	353	1	0.21	216	3	1.18	137	63
Negotiable CDs, brokered and other deposits	3,525	5	0.16	3,822	15	0.38	(297)	(8)
Total interest-bearing deposits	86,350	45	0.05	66,577	198	0.30	19,773	30
Short-term borrowings	278	1	0.20	1,147	13	1.18	(869)	(76)
Long-term debt (5)	7,479	43	0.57	9,496	212	2.24	(2,017)	(21)
Total interest-bearing liabilities	94,107	89	0.09	77,220	423	0.55	16,887	22
Demand deposits—noninterest-bearing	37,960			25,336			12,624	50
All other liabilities	3,205			2,373			832	35
Total Huntington Bancshares Inc shareholders' equity	16,997			12,303			4,694	38
Non-controlling interest	12			—			12	100
Total equity	17,009			12,303			4,706	38
Total liabilities and shareholders' equity	$ 152,281			$ 117,232			$ 35,049	30 %
Net interest rate spread			2.92			2.83		
Impact of noninterest-bearing funds on margin			0.03			0.16		
Net interest margin/NII		$ 4,127	2.95 %		$ 3,245	2.99 %		

(1) FTE yields are calculated assuming a 21% tax rate.
(2) Average yield/rates include the impact of applicable derivatives. Loan and lease and deposit average yield/rates also include impact of applicable non-deferrable and amortized fees.
(3) For purposes of this analysis, NALs are reflected in the average balances of loans and leases.
(4) Includes consumer certificates of deposit of $250,000 or more.
(5) Reflects the benefit of $89 million mark-to-market of interest rate caps for 2021. There was no impact for 2020.

Net interest income for 2022 increased $1.2 billion, or 29%, from 2021. FTE net interest income, a non-GAAP financial measure, for 2022 increased $1.2 billion, or 29%, from 2021. The increase in FTE net interest income reflected the benefit of a $23.3 billion, or 17%, increase in average total earning assets in addition to a 30 basis point increase in the FTE NIM to 3.25%. The increase in average total earning assets included a $18.4 billion, or 19%, increase in average loans and leases and a $8.9 billion, or 27%, increase in average total securities. Average balance increases across earning asset categories for 2022 reflect organic growth in addition to the late second-quarter 2021 TCF acquisition. The increase in average securities was additionally driven by the redeployment of excess liquidity into securities in the second half of 2021.

The NIM expansion was driven by the higher rate environment driving an increase in loan and lease and investment security yields, partially offset by higher cost of funds and the impact of lower accelerated PPP loan fees recognized upon forgiveness payments from the SBA in 2022. Net interest income for 2022 included $21 million in accelerated PPP loan fees recognized upon forgiveness payments from the SBA, compared to $126 million in 2021.

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 ACL at levels appropriate to absorb our estimate of credit losses expected over the life of the loan and lease portfolio, securities portfolio, and unfunded lending commitments.

The provision for credit losses in 2022 was $289 million, an increase of $264 million from 2021. The increase in provision expense over the prior year was due to a combination of loan and lease growth in 2022 and a reduction in ACL coverage ratios over the course of 2021, as there was more clarity relating to the economic impacts of COVID-19.

The components of the provision for credit losses were as follows:

Table 4 - Provision for Credit Losses

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Provision for loan and lease losses	$ 212	$ (1)	$ 1,089
Provision for unfunded lending commitments	73	26	(41)
Provision for securities	4	—	—
Total provision for credit losses	$ 289	$ 25	$ 1,048

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Noninterest Income

The following table reflects noninterest income for each of the periods presented:

Table 5 - Noninterest Income

	Year Ended December 31,						
(dollar amounts in millions)		Change from 2021			Change from 2020		
	2022	Amount	Percent	2021	Amount	Percent	2020
Service charges on deposit accounts	$ 384	$ 12	3 %	$ 372	$ 71	24 %	$ 301
Card and payment processing income	374	40	12	334	86	35	248
Capital markets fees	252	101	67	151	26	21	125
Trust and investment management services	249	17	7	232	43	23	189
Mortgage banking income	144	(165)	(53)	309	(57)	(16)	366
Leasing revenue	126	27	27	99	78	NM	21
Insurance income	117	12	11	105	8	8	97
Gain on sale of loans	57	48	NM	9	(33)	(79)	42
Bank owned life insurance income	56	(13)	(19)	69	5	8	64
Net gains (losses) on sales of securities	—	(9)	NM	9	10	NM	(1)
Other noninterest income	222	22	11	200	61	44	139
Total noninterest income	$ 1,981	$ 92	5 %	$ 1,889	$ 298	19 %	$ 1,591

Noninterest income was $2.0 billion, up $92 million, or 5%, from the prior year. Capital markets fees increased $101 million, or 67%, primarily reflecting higher advisory fees supported by the impact of Capstone Partners, loan syndication fees, foreign exchange fees, and interest rate derivative fees. Gain on sale of loans increased $48 million, primarily due to sales of SBA loans during the first through third quarters of 2022. Trust and investment management services income increased $17 million, or 7%, primarily reflecting the full-period impact of the TCF acquisition and an increase in sales. Service charges on deposit accounts increased $12 million, or 3%, primarily due to the full-period impact on volume due to TCF customers, partially offset by the impact from Fair Play enhancements implemented in the second half of 2022. Insurance income increased $12 million, or 11%, primarily reflecting an increase in agency commissions. All other increases were largely a result of the full-period impact of the TCF acquisition. Offsetting these increases, mortgage banking income decreased $165 million, or 53%, primarily reflecting lower salable volume and secondary marketing spreads, bank owned life insurance decreased $13 million, or 19%, primarily due to valuation adjustments and lower benefit claims, and net gains on sales of securities decreased $9 million, as the prior year included sales reflecting securities optimization following the acquisition of TCF.

Noninterest Expense

The following table reflects noninterest expense for each of the periods presented:

Table 6 - Noninterest Expense

(dollar amounts in millions)	Year Ended December 31, 2022	Change from 2021 Amount	Change from 2021 Percent	2021	Change from 2020 Amount	Change from 2020 Percent	2020
Personnel costs	$ 2,401	$ 66	3 %	$ 2,335	$ 643	38 %	$ 1,692
Outside data processing and other services	610	(240)	(28)	850	466	121	384
Equipment	269	21	8	248	68	38	180
Net occupancy	246	(31)	(11)	277	119	75	158
Marketing	91	2	2	89	51	134	38
Professional services	77	(36)	(32)	113	58	105	55
Deposit and other insurance expense	67	16	31	51	19	59	32
Amortization of intangibles	53	5	10	48	7	17	41
Lease financing equipment depreciation	45	4	10	41	40	NM	1
Other noninterest expense	342	19	6	323	109	51	214
Total noninterest expense	$ 4,201	$ (174)	(4) %	$ 4,375	$ 1,580	57 %	$ 2,795
Number of employees (average FTE)	19,920	1,478	8 %	18,442	2,864	18 %	15,578

Impacts of acquisition-related expenses:

(dollar amounts in millions)	Year Ended December 31, 2022	2021	2020
Personnel costs	$ 8	$ 177	$ —
Outside data processing and other services	41	303	—
Equipment	5	16	—
Net occupancy	32	82	—
Marketing	—	5	—
Professional services	4	57	—
Deposit and other insurance expense	1	—	—
Other noninterest expense	4	61	—
Total noninterest expense adjustments	$ 95	$ 701	$ —

Noninterest expense was $4.2 billion, a decrease of $174 million, or 4%, from the prior year, primarily reflecting a $606 million decrease in acquisition-related expenses and execution of cost reduction initiatives, partially offset by the full-period impact of the TCF acquisition. Outside data processing and other services decreased $240 million, or 28%, professional services expense decreased $36 million, or 32%, and net occupancy decreased $31 million, or 11%, all primarily reflecting decreases in acquisition-related expenses and execution of cost reduction initiatives, partially offset by the full-period impact of the TCF acquisition. Partially offsetting these decreases, personnel costs increased $66 million, or 3%, primarily due to the impact of the full-period impact of the TCF acquisition, the impact from the addition of Capstone Partners, and other merit increases, partially offset by a decrease in acquisition-related expenses. Equipment expense increased $21 million, or 8%, primarily reflecting timing of technology equipment purchases and amortization and the full-period impact of the TCF acquisition, partially offset by reductions to the post-conversion cost structure. Other noninterest expenses increased $19 million, or 6%, primarily due to Capstone Partners expenses attributable to revenue activity, an increase in travel expenses as travel resumes a more normalized level following the COVID-19 pandemic, and the full-period impact of the TCF acquisition, partially offset by a decrease in acquisition-related expenses. All other increases were primarily a result of the full-period impact of the TCF acquisition, partially offset by cost reduction initiatives.

Provision for Income Taxes

(This section should be read in conjunction with Note 1 - "Significant Accounting Policies" and Note 18 - "Income Taxes" of the Notes to Consolidated Financial Statements.)

The provision for income taxes was $515 million for 2022, compared with $294 million in 2021. The effective tax rates for 2022 and 2021 were 18.6% and 18.5%, respectively. Both years included the benefits from general business credits, capital losses, tax-exempt income, tax-exempt bank owned life insurance income, and investments in qualified affordable housing projects.

The net federal deferred tax asset was $437 million, and the net state deferred tax asset was $97 million at December 31, 2022. As of December 31, 2022 and 2021 there was no valuation allowance on federal deferred taxes. In 2022, a $3 million decrease in the provision for state income taxes, net of federal tax effect, was recorded for the portion of state deferred tax assets that are not more likely than not to be realized, compared to an increase of $7 million, net of federal tax effect, in 2021.

RISK MANAGEMENT AND CAPITAL

Risk Governance

Risk awareness, identification and assessment, reporting, and active management are key elements in overall risk management. Controls include, among other, effective segregation of duties, access management, and authorization and reconciliation procedures, as well as staff education and a disciplined assessment process.

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, through-the-cycle. This does not preclude engagement in select higher risk activities. Rather, the definition is intended to represent an aggregate view of where we want our overall risk to be managed.

Three Board committees primarily oversee implementation and monitoring of this desired risk appetite:

- Our *Audit Committee* oversees the integrity of the consolidated financial statements, including policies, procedures, and practices regarding the preparation of financial statements, the financial reporting process, disclosures, and internal control over financial reporting. The Audit Committee also provides assistance to our Board in overseeing the internal audit division and the independent registered public accounting firm's qualifications and independence; compliance with our Financial Code of Ethics for the chief executive officer and senior financial officers; and compliance with corporate securities trading policies.
- Our *Risk Oversight Committee* assists the Board in overseeing management of material risks, the approval and monitoring of our capital position and plan supporting our overall aggregate moderate-to-low, through-the-cycle risk appetite, the risk governance structure, compliance with applicable laws and regulations, and determining adherence to the board's stated risk appetite. The ROC has oversight responsibility with respect to the full range of inherent risks: credit, market, liquidity, legal, compliance/regulatory, operational, strategic, and reputational. The ROC provides assistance to our Board in overseeing the credit review group. This committee also oversees our capital management and planning process, ensures that the amount and quality of capital are adequate in relation to expected and unexpected risks, and that our capital levels exceed "well-capitalized" requirements.
- Our *Technology Committee* assists our Board in fulfilling its oversight responsibilities with respect to all technology, cyber security, and third-party risk management strategies and plans. The committee is charged with evaluating Huntington's capability to properly perform all technology functions necessary for its business plan, including projected growth, technology capacity, planning, operational execution, product development, and management capacity. Our Technology Committee provides oversight of technology investments and plans to drive efficiency as well as to meet defined standards for risk, information security, and redundancy. Our Technology Committee oversees the allocation of technology costs and ensures that they are understood by the Board. Our Technology Committee monitors and evaluates innovation and technology trends that may affect our strategic plans, including monitoring of overall industry trends. The Technology Committee reviews and provides oversight of our continuity and disaster recovery planning and preparedness.

Our Audit and Risk Oversight Committees routinely hold executive sessions with our key officers engaged in accounting and risk management. On a periodic basis, the two committees meet in joint session to cover matters relevant to both, such as the construct and appropriateness of the ACL, which is reviewed quarterly. All directors have access to information provided to each committee and all scheduled meetings are open to all directors.

Our Risk Oversight and Technology Committees routinely hold joint sessions to cover matters relevant to both such as cybersecurity and IT risk and control projects and risk assessments.

Further, through our Human Resources and Compensation Committee, our Board seeks to ensure its system of rewards is risk-sensitive and aligns the interests of management, creditors, and shareholders. We utilize a variety of compensation-related tools to induce appropriate behavior, including common stock ownership thresholds for the chief executive officer and certain members of senior management, equity deferrals, recoupment provisions, and the right to terminate compensation plans at any time.

Management has implemented an Enterprise Risk Management and Risk Appetite Framework. Critically important is our self-assessment process, in which each business segment produces an analysis of its risks and the strength of its risk controls. The segment analyses are combined with assessments by our risk management organization of major risk sectors (e.g., credit, market, liquidity, operational, compliance, strategic, and reputation) to produce an overall enterprise risk assessment. Outcomes of the process include a determination of the quality of the overall control process, the direction of risk, and our position compared to the defined risk appetite.

Management also utilizes a wide series of metrics (key risk indicators) to monitor risk positions throughout the Company. In general, a range for each metric is established, which allows the Company, in aggregate, to operate within an aggregate moderate-to-low, through-the-cycle risk appetite. Deviations from the range will indicate if the risk being measured exceeds desired tolerance, which may then necessitate corrective action.

We also have four executive level committees to manage risk: ALCO, Credit Policy and Strategy, Risk Management, and Capital Management. Each committee focuses on specific categories of risk and is supported by a series of subcommittees that are tactical in nature. We believe this structure helps ensure appropriate escalation of issues and overall communication of strategies.

Huntington utilizes three lines of defense with regard to risk management: (1) business segments, (2) corporate risk management, and (3) internal audit and credit review. To induce greater ownership of risk within its business segments, segment risk officers have been embedded in the business to identify and monitor risk, elevate and remediate issues, establish controls, perform self-testing, and oversee the self-assessment process. Corporate Risk Management establishes policies, sets operating limits, reviews new or modified products/processes, ensures consistency and quality assurance within the segments, and produces the enterprise risk assessment. The Chief Risk Officer has significant input into the design and outcome of incentive compensation plans as they apply to risk. Internal audit and credit review provide additional assurance that risk-related functions are operating as intended.

Huntington classifies/aggregates risk into seven risk pillars. Huntington recognizes that risks can be interrelated or embedded within each other, and therefore managing across risk pillars is a key component of the framework. The following defines the Company’s risk pillars:

- ***Credit risk***, which is the risk of loss due to loan and lease customers or other counterparties not being able to meet their financial obligations under agreed upon terms;
- ***Market risk***, which occurs when fluctuations in interest rates impact earnings and capital. Financial impacts are realized through changes in the interest rates of balance sheet assets and liabilities (net interest margin) or directly through valuation changes of capitalized MSR and/or trading assets (noninterest income);
- ***Liquidity risk***, which is the risk to current or anticipated earnings or capital arising from an inability to meet obligations when they come due. Liquidity risk includes the inability to access funding sources or manage fluctuations in funding levels. Liquidity risk also results from the failure to recognize or address changes in market conditions that affect our ability to liquidate assets quickly and with minimal loss in value;

- ***Operational risk***, which is the risk of loss arising from inadequate or failed internal processes or systems, including information security breaches or cyberattacks, human errors or misconduct, or adverse external events. Operational losses result from internal fraud, external fraud, inadequate or inappropriate employment practices and workplace safety, failure to meet professional obligations involving customers, products, and business practices, damage to physical assets, business disruption and systems failures, and failures in execution, delivery, and process management;
- ***Compliance risk***, which exposes us to money penalties, enforcement actions, or other sanctions as a result of non-conformance with laws, rules, and regulations that apply to the financial services industry;
- ***Strategic risk***, which is defined as risk to current or anticipated earnings, capital, or enterprise value arising from adverse business decisions, improper implementation of business decisions or lack of responsiveness to industry / market changes; and
- ***Reputation risk***, which is the risk that negative publicity regarding an institution's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions.

A comprehensive discussion of risk management and capital matters affecting us can be found in the Risk Factors section included in Item 1A: Risk Factors and the "Regulatory Matters" section of Item 1: Business of this Form 10-K.

Some of the more significant processes used to manage and control credit, market, liquidity, operational, and compliance risks are described in the following sections.

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 investment securities portfolios *(see Note 4 - "Investment Securities and Other Securities" of the Notes to 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. A variety of derivative financial instruments, principally interest rate swaps, caps and floors, swaption collars, forward contracts, and forward starting interest rate swaps are used in asset and liability management activities to protect against the risk of adverse price or interest rate movements. We also use derivatives, principally loan sale commitments, in hedging our mortgage loan interest rate lock commitments and mortgage loans held for sale. While there is credit risk associated with derivative activity, we believe this exposure is minimal. *(See Note 1 - "Significant Accounting Policies" of the Notes to Consolidated Financial Statements.)*

We focus on the early identification, monitoring, and management of all aspects 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 quantitative measurement capabilities utilizing external data sources, enhanced modeling technology, and internal stress testing processes. Our ongoing expansion of portfolio management resources is central to our commitment to maintaining an aggregate moderate-to-low, through-the-cycle risk appetite. In our efforts to identify risk mitigation techniques, we have focused on product design features, origination policies, and solutions for delinquent or stressed borrowers.

The maximum level of credit exposure to individual credit borrowers is limited by policy guidelines based on the perceived risk of each borrower or related group of borrowers. Authority to grant commitments sits with the independent credit administration function, with limited exceptions, and is closely monitored and regularly updated. Concentration risk is managed through limits on loan type, industry, and loan quality factors. We focus predominantly on extending credit to consumer and commercial customers with existing or expandable relationships within our primary banking markets, although we will consider lending opportunities outside our primary markets if we believe the associated risks are acceptable and aligned with strategic initiatives. Although we offer a broad set of products, we continue to develop new lending products and opportunities. Each of these new products and opportunities goes through a rigorous development and approval process prior to implementation to ensure our overall objective of maintaining an aggregate moderate-to-low risk portfolio profile.

The checks and balances in the credit process and the separation of the credit administration and risk management functions are designed to appropriately assess and sanction the level of credit risk being accepted, facilitate the early recognition of credit problems when they occur, and provide for effective problem asset management and resolution. For example, we do not extend additional credit to delinquent borrowers except in certain circumstances that substantially improve our overall repayment or collateral coverage position.

Loan and Lease Credit Exposure Mix

At December 31, 2022, our loans and leases totaled $119.5 billion, representing a $8.3 billion, or 7%, increase compared to $111.3 billion at December 31, 2021.

Total commercial loans and leases were $67.0 billion at December 31, 2022 and represented 56% of our total loan and lease credit exposure. Our commercial loan portfolio is diversified by product type, customer size, and geography, and is comprised of the following (*see Commercial Credit discussion)*:

C&I – C&I loans are made to commercial customers for use in normal business operations to finance working capital needs, equipment purchases, or other projects. We focus on borrowers doing business within our geographic markets. C&I loans 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, technology & telecom, finance and insurance, etc.) and/or lending disciplines (equipment finance, distribution finance, asset-based lending, 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 customers.

CRE – The CRE portfolio includes both CRE commercial and CRE construction loans. CRE commercial loans are loans to developers and institutional sponsors 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. For loans secured by real estate, appropriate appraisals are obtained at origination and updated on an as needed basis in compliance with regulatory requirements and our credit policies. CRE construction 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 CRE construction portfolio primarily consists of multi-family, retail, office, and warehouse project types. Generally, these loans are for construction projects that have been pre-sold or pre-leased, or have secured permanent financing, as well as loans to real estate companies with significant equity invested in each project. These loans are 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.

Lease Financing – Lease financing products are designed to address the diverse financing needs of small to large companies primarily for the acquisition of equipment. Our lease financing portfolio will utilize a variety of origination partners and third-party sources including equipment manufacturers, dealers, or vendors set up under program structures to generate transactions from a nationwide footprint. High level business lines comprise of industrial finance, specialty finance, healthcare finance, technology finance, and specialized transportation, franchise, & government.

Total consumer loans were $52.5 billion at December 31, 2022 and represented 44% of our total loan and lease credit exposure. The consumer portfolio is comprised primarily of automobile loans, home equity lines-of-credit, residential mortgages, and RV and marine finance *(see Consumer Credit discussion)*.

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.

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 core footprint states represents 18% 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 converts 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 incorporates a stress analysis for rising interest rates.

RV and marine – RV and marine loans are loans provided to consumers for the purpose of financing recreational vehicles and boats. Loans are originated on an indirect basis through a series of dealerships across 35 states. The loans are underwritten centrally using an application and decisioning system similar to automobile loans. The current portfolio includes 26% of the balances within our core footprint states.

Other consumer – Other consumer loans primarily consists of consumer loans not secured by real estate, including credit cards, personal unsecured loans, and overdraft balances. We originate these products within our established set of credit policies and guidelines.

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

Table 7 - Loan and Lease Portfolio Composition

	At December 31,			
(dollar amounts in millions)	2022		2021	
Commercial:				
Commercial and industrial	$ 45,127	38 %	$ 41,688	37 %
Commercial real estate	16,634	14	14,961	14
Lease financing	5,252	4	5,000	4
Total commercial	67,013	56	61,649	55
Consumer:				
Residential mortgage	22,226	19	19,256	17
Automobile	13,154	11	13,434	12
Home equity	10,375	9	10,550	9
RV and marine	5,376	4	5,058	5
Other consumer	1,379	1	1,320	2
Total consumer	52,510	44	49,618	45
Total loans and leases	$ 119,523	100 %	$ 111,267	100 %

Our loan and lease portfolio is a managed mix of consumer and commercial credits. We manage the overall credit exposure and portfolio composition via a credit concentration policy. The policy designates specific loan types, collateral types, and loan structures to be formally tracked and assigned maximum exposure limits as a percentage of capital. Commercial lending by NAICS categories, specific limits for CRE project types, loans secured by residential real estate, large dollar exposures, and designated high risk loan categories represent examples of specifically tracked components of our concentration management process. There are no identified concentrations that exceed the assigned exposure limit. Our concentration management policy is approved by the ROC and is used to ensure a high quality, well diversified portfolio that is consistent with our overall objective of maintaining an aggregate moderate-to-low, through-the-cycle risk appetite. Changes to existing concentration limits, incorporating specific information relating to the potential impact on the overall portfolio composition and performance metrics, require the approval of the ROC prior to implementation.

The table below provides our total loan and lease portfolio segregated by industry type. The changes in the industry composition from December 31, 2021 are consistent with the portfolio growth metrics.

Table 8 - Loan and Lease Portfolio by Industry Type

(dollar amounts in millions)	At December 31, 2022		At December 31, 2021	
Commercial loans and leases:				
Real estate and rental and leasing	$ 16,310	14 %	$ 14,287	13 %
Retail trade (1)	9,894	8	6,709	6
Manufacturing	7,809	7	7,401	7
Finance and insurance	5,005	4	4,595	4
Health care and social assistance	4,293	4	4,733	4
Wholesale Trade	3,922	3	4,067	4
Accommodation and food services	3,335	3	3,778	3
Transportation and warehousing	3,246	3	3,096	3
Other services	2,097	2	2,119	2
Professional, scientific, and technical services	1,899	2	1,975	2
Construction	1,757	1	1,980	2
Arts, entertainment, and recreation	1,424	1	1,495	1
Admin./Support/Waste Mgmt. and Remediation Services	1,370	1	1,285	1
Utilities	1,298	1	932	1
Information	1,167	1	870	1
Public administration	667	1	713	1
Educational services	513	—	657	—
Agriculture, forestry, fishing, and hunting	455	—	453	—
Mining, quarrying, and oil and gas extraction	196	—	358	—
Management of companies and enterprises	127	—	130	—
Unclassified/other	229	—	16	—
Total commercial loans and leases by industry category	67,013	56 %	61,649	55 %
Residential mortgage	22,226	19	19,256	17
Automobile	13,154	11	13,434	12
Home Equity	10,375	9	10,550	9
RV and marine	5,376	4	5,058	5
Other consumer loans	1,379	1	1,320	2
Total loans and leases	$ 119,523	100 %	$ 111,267	100 %

(1) Amounts include $2.3 billion and $1.5 billion of auto dealer services loans at December 31, 2022 and December 31, 2021, respectively.

Commercial Credit

The primary factors considered in commercial credit approvals are the financial strength of the borrower, assessment of the borrower's management capabilities, cash flows from operations, industry sector trends, type and sufficiency of collateral, type of exposure, transaction structure, and the general economic outlook. While these are the primary factors considered, there are a number of other factors that may be considered in the decision process. We require the signature approval of both the appropriate line of business leaders and independent credit executives. The risk rating, credit exposure amount, and complexity of the credit determines the threshold for approval. Credit officers who understand each local region and are experienced in the industries and loan structures of the requested credit exposure are involved in all loan decisions and have the primary credit authority, with the exception of small business loans. For small business loans, we utilize a centralized loan approval process for standard products and structures. In this centralized decision environment, certain individuals who understand each local region may make credit-extension decisions to preserve our commitment to the communities in which we operate. In addition to disciplined and consistent judgmental factors, a sophisticated credit scoring process is used as a primary evaluation tool in the determination of approving a loan.

In commercial lending, on-going credit management is dependent on the type and nature of the loan. We monitor all significant exposures. All commercial credit extensions are assigned internal risk ratings reflecting the borrower's PD and LGD. This two-dimensional rating methodology provides granularity in the portfolio management process. The PD is rated and applied at the borrower level. The LGD is rated and applied based on the specific type of credit extension and the quality and lien position associated with the underlying collateral. The internal risk ratings are assessed at origination and updated at each periodic monitoring event. There is also extensive macro-portfolio management analysis. We review and adjust our risk-rating criteria based on actual experience, which provides us with the current risk level in the portfolio. A centralized portfolio management function monitors and reports on the performance of the entire commercial portfolio, including small business loans, to provide consistent oversight.

In addition to the initial credit analysis conducted during the approval process, our credit review group performs testing to provide an independent review and assessment of the quality and risk of new loan originations. This group is part of our Risk Management area and conducts portfolio reviews on a risk-based cycle to evaluate individual loans, validate risk ratings, and test the consistency of credit processes.

Our standardized loan grading system considers many components that directly correlate to loan quality and likelihood of repayment, one of which is guarantor support. On an at least annual basis, we consider, among other things, the guarantor's reputation and creditworthiness, where available, along with various key financial metrics such as liquidity and net worth. Our assessment of the guarantor's credit strength, or lack thereof, is reflected in our risk ratings for such loans, which is directly tied to, and an integral component of, our ACL methodology. When a loan goes to impaired status, viable guarantor support is considered in the determination of a credit loss.

If our assessment of the guarantor's credit strength yields an inherent capacity to perform, we will seek repayment from the guarantor as part of the collection process and have done so successfully.

Substantially all loans categorized as Classified *(See Note 5 "Loans / Leases" of the Notes to Consolidated Financial Statements)* are managed by FRG. FRG is a specialized group of credit professionals that handle the day-to-day management of workouts, commercial recoveries, and problem loan sales. Its responsibilities include developing and implementing action plans, assessing risk ratings, and determining the appropriateness of the allowance, the accrual status, and the ultimate collectability of the Classified loan portfolio.

C&I PORTFOLIO

We manage the risks inherent in the C&I portfolio through origination policies, a defined loan concentration policy with established limits, on-going loan-level and portfolio-level reviews, recourse requirements, and continuous portfolio risk management activities. Our origination policies for the C&I portfolio include loan product-type specific policies such as LTV and debt service coverage ratios, as applicable.

The C&I portfolio continues to have solid origination activity while we maintain a focus on high quality originations. We continue to maintain a proactive approach to identifying borrowers that may be facing financial difficulty in order to maximize the potential credit outcomes. 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 120% of required interest and principal payments, and (3) if the commercial real estate is non-owner occupied, require that pre-leasing generate break-even interest-only debt service. We actively monitor project-type concentrations and both geographic and project-type 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 leasing revenues 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.

LEASE FINANCING

We manage the risks inherent in the Lease Financing portfolio through external consumer and business credit scoring solutions, internally developed custom probability of default and loss given default models, continuous portfolio risk management activities, and equipment and customer diversification. Our origination policies are aligned by transaction size with increased use of the personal guarantee of principals and external credit scoring tools for smaller transactions and expanded financial analysis and reporting requirements for larger transactions. Our program focuses on high-quality manufacturer, distributor, vendor, or third party originations sources with in-depth partner diligence. The lease financing group may use manufacturer loss risk share programs that provide additional transaction support, but the origination strategy prioritizes strong customer financial condition.

High level business lines are comprised of Industrial Finance, Specialty Finance, Healthcare Finance, Technology Finance, and Specialized Transportation, Franchise, and Government with multiple segments under each main line. We also have specific equipment types or industries designated as low tolerance with additional front-end guidance and diligence requirements. Subsequent to the origination of the lease, the credit review group provides an independent review and assessment of the quality of the underwriting and risk of new lease originations.

Consumer Credit

Consumer credit approvals are based on, among other factors, the financial strength and payment history of the borrower, type of exposure, and transaction structure. Consumer credit decisions are generally made in a centralized environment utilizing decision models. Importantly, certain individuals who understand each local region have the authority to make credit extension decisions to preserve our focus on the local communities in which we operate. For all classes within the consumer loan portfolio, loans are assigned pool level PD factors based on the FICO range within which the borrower's credit bureau score falls. The credit bureau score is widely accepted as the standard measure of consumer credit risk used by lenders, regulators, rating agencies, and consumers. The LGD is related to the type of collateral associated with the credit extension, which typically does not change over the course of the loan term. This allows Huntington to maintain a current view of the customer for credit risk management and ACL purposes.

In consumer lending, credit risk is managed from a segment (i.e., loan type, collateral position, geography, etc.) and vintage performance analysis. All portfolio segments are continuously monitored for changes in delinquency trends and other asset quality indicators. We make extensive use of portfolio assessment models to continuously monitor the quality of the portfolio, which may result in changes to future origination strategies. The credit review group conducts ongoing independent credit origination and process reviews to ensure the effectiveness and efficiency of the consumer credit processes.

Collection actions by our customer assistance team are initiated as needed through a centrally managed collection and recovery function. We employ a series of collection methodologies designed to maintain a high level of effectiveness, while maximizing efficiency. In addition to the consumer loan portfolio, the customer assistance team is responsible for collection activity on all sold and securitized consumer loans and leases. Collection practices include a single contact point for the majority of the residential real estate secured portfolios.

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. 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.

Huntington underwrites all residential mortgage 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. 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.

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.

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.

RV AND MARINE PORTFOLIO

Our strategy in the RV and Marine portfolio focuses on high quality borrowers, combined with appropriate LTVs, terms, and profitability. Although entering new markets can be associated with increased risk levels, we believe our disciplined strategy and operational processes significantly mitigate these risks.

Credit Quality

(This section should be read in conjunction with Note 5 "Loans / Leases and Note 6 "Allowance for Credit Losses" of the Notes to Consolidated Financial Statements.)

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

Credit quality performance in 2022 reflected NCOs of $121 million, or 0.11% of average total loans and leases, a decrease from $215 million or 0.22% in the prior year. The decrease was driven by a $145 million decrease in Commercial NCOs, partially offset by a $51 million increase in Consumer NCOs. NPAs decreased by $156 million, or 21%, to $594 million, primarily driven by decreases in commercial and industrial and lease financing NALs.

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 or lease 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 or lease is determined to be collateral dependent, the loan is placed on nonaccrual status.

Commercial loans and leases are placed on nonaccrual status at 90-days past due, or earlier if repayment of principal and interest is in doubt. Of the $398 million of commercial related NALs at December 31, 2022, $270 million, or 68%, represent loans and leases 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, RV and marine, and other consumer loans are generally fully charged-off at 120-days past due, and if not fully charged-off are placed on non-accrual.

When loans and leases are placed on nonaccrual, any accrued interest is reversed against interest income. 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.

The following table reflects period-end NALs and NPAs detail:

Table 9 - Nonaccrual Loans and Leases and Nonperforming Assets

	At December 31,	
(dollar amounts in millions)	2022	2021
Nonaccrual loans and leases (NALs):		
Commercial and industrial	$ 288	$ 370
Commercial real estate	92	104
Lease financing	18	48
Residential mortgage	90	111
Automobile	4	3
Home equity	76	79
RV and marine	1	1
Total nonaccrual loans and leases	569	716
Other real estate, net:		
Residential	11	8
Commercial	—	1
Total other real estate, net	11	9
Other NPAs (1)	14	25
Total nonperforming assets	$ 594	$ 750
Nonaccrual loans and leases as a % of total loans and leases	0.48 %	0.64 %
NPA ratio (2)	0.50	0.67

(1) Other nonperforming assets include certain impaired investment securities and/or nonaccrual loans held-for-sale.
(2) Nonperforming assets divided by the sum of loans and leases, other real estate owned, and other NPAs.

ACL

Our ACL is comprised of two different components, both of which in our judgment are appropriate to absorb lifetime expected credit losses in our loan and lease portfolio: the ALLL and the AULC.

We use statistically-based models that employ assumptions about current and future economic conditions throughout the contractual life of the loan. The process of estimating expected credit losses is based on three key parameters: PD, EAD, and LGD. Beyond the reasonable and supportable period (two to three years), the economic variables revert to a historical equilibrium at a pace dependent on the state of the economy reflected within the economic scenario.

Future economic conditions consider multiple macroeconomic scenarios provided to us by an independent third party and are reviewed through the appropriate committee governance channels described below. These macroeconomic scenarios contain certain variables that are influential to our modeling process, the most significant being unemployment rates and GDP. The probability weights assigned to each scenario are generally expected to be consistent from period to period and determined through our ACL process. Any changes in probability weights must be supported by appropriate documentation and approval of senior management. Additionally, we consider whether to adjust the modeled estimates to address possible limitations within the models or factors not captured within the macroeconomic scenarios. Lifetime losses for most of our loans and leases are evaluated collectively based on similar risk characteristics, risk ratings, origination credit bureau scores, delinquency status, and remaining months within loan agreements, among other factors.

The baseline scenario used for the 2022 fourth quarter assumes the weaker pace of job growth in 2023 will cause the unemployment rate to gradually increase to 4.1% by the end of 2023. The overnight federal funds rate is forecasted to continue to increase, hitting a terminal rate of approximately 4.6% in the second quarter of 2023 as the Federal Reserve continues to address the elevated inflation levels. The expectation is that the Federal Reserve would start to cut rates late in 2023 and throughout 2024 although monetary policy remains restrictive until the end of 2025 when the federal funds rate returns to its neutral rate. Inflation is forecast to drop from an average of 8.1% in 2022 to 2.4% in 2024 as a result of Federal Reserve's actions, a reduction in U.S supply chain stress, below potential GDP growth, declines in global energy prices and moderating nominal wage growth.

The table below is intended to show how the forecasted path of unemployment and GDP has changed since the end of 2021:

Table 10 - Forecasted Key Macroeconomic Variables

	2021	2022		2023	
Baseline scenario forecast	Q4	Q2	Q4	Q2	Q4
Unemployment rate (1)					
4Q 2021	4.5%	3.7%	3.5%	3.5%	3.5%
4Q 2022	N/A	N/A	3.7	3.9	4.1
Gross Domestic Product (1)					
4Q 2021	6.6%	3.6%	2.5%	2.9%	2.8%
4Q 2022	N/A	N/A	(0.1)	0.4	2.0

(1) Values reflect the baseline scenario forecast inputs for each period presented, not updated for subsequent actual amounts.

Management continues to assess the uncertainty in the macroeconomic environment, including geopolitical instability and current inflation levels, considering multiple macroeconomic forecasts that reflected a range of possible outcomes. While we have incorporated estimates of economic uncertainty into our ACL, the ultimate impact of the current inflation levels and attempts to lower inflation through Federal Reserve rate actions will have on the economy remains unknown.

Management develops additional analytics to support adjustments to our modeled results. Our governance committees reviewed model results of each economic scenario for appropriate usage, concluding that the quantitative transactional reserve will continue to utilize scenario weighting. Given the uncertainty associated with key economic scenario assumptions, the December 31, 2022 ACL included a general reserve that consists of various risk profile components, including profiles to capture uncertainty not addressed within the quantitative transaction reserve.

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 lifetime expected losses in the loan and lease portfolio at the reported date. The loss modeling process uses an EAD concept to calculate total expected losses on both funded balances and unfunded lending commitments, where appropriate. Losses related to the unfunded lending commitments are then recorded as AULC within other liabilities in the Consolidated Balance Sheet. A liability for expected credit losses for off-balance sheet credit exposures is recognized if Huntington has a present contractual obligation to extend the credit and the obligation is not unconditionally cancelable.

The AULC is determined by applying the same quantitative reserve determination process to the unfunded portion of the loan exposures adjusted by an applicable funding expectation. *(See Note 1 - "Significant Accounting Policies" of the Notes to Consolidated Financial Statements).*

Our ACL evaluation process includes the on-going assessment of credit quality metrics, and a comparison of certain ACL benchmarks to current performance. For further information, including the ALLL and AULC activity by portfolio segment, refer to Note 6 "Allowance for Credit Losses" of the Notes to Consolidated Financial Statements.

The table below reflects the allocation of our ALLL among our various loan and lease categories and the reported ACL:

Table 11 - Allocation of Allowance for Credit Losses

(dollar amounts in millions)	At December 31,					
	2022			2021		
	Allocation of Allowance	% of Total ALLL	% of Total Loans and Leases (1)	Allocation of Allowance	% of Total ALLL	% of Total Loans and Leases (1)
Commercial						
Commercial and industrial	$ 890	42 %	38 %	$ 832	41 %	37 %
Commercial real estate	482	23	14	586	29	14
Lease financing	52	2	4	44	2	4
Total commercial	1,424	67	56	1,462	72	55
Consumer						
Residential mortgage	187	8	19	145	8	17
Automobile	141	7	11	108	5	12
Home equity	105	5	9	88	4	9
RV and marine	143	7	4	105	5	5
Other consumer	121	6	1	122	6	2
Total consumer	697	33	44	568	28	45
Total ALLL	2,121	100 %	100 %	2,030	100 %	100 %
AULC	150			77		
Total ACL	$ 2,271			$ 2,107		
Total ALLL as % of:						
Total loans and leases	1.77 %			1.82 %		
Nonaccrual loans and leases	373			284		
NPAs	357			271		
Total ACL as % of:						
Total loans and leases	1.90 %			1.89 %		
Nonaccrual loans and leases	400			294		
NPAs	382			281		

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

At December 31, 2022, the ACL was $2.3 billion, or 1.90%, of total loans and leases, compared to $2.1 billion, or 1.89%, at December 31, 2021. The increase in the total ACL was primarily driven by loan and lease growth, but also recognizes the increased near-term recessionary risks at the end of 2022.

NCOs

A 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.

Commercial loans and leases are either charged-off or written down to net realizable value by 90-days past due with the exception of administrative small ticket lease delinquencies. Automobile loans, RV and marine, and other consumer loans are generally fully 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. The remaining balance is in delinquent status until a modification can be completed, or the loan goes through the foreclosure process.

The following table reflects NCO detail:

Table 12 - Net Loan and Lease Charge-offs

(dollar amounts in millions)	Year Ended December 31,		
	2022	2021	2020
Net charge-offs by loan and lease type:			
Commercial:			
Commercial and industrial	$ (2)	$ 99	$ 287
Commercial real estate	8	17	43
Lease financing	9	44	12
Total commercial	15	160	342
Consumer:			
Residential mortgage	(2)	(1)	3
Automobile	6	(6)	33
Home equity	(5)	(5)	6
RV and marine	8	5	12
Other consumer	99	62	53
Total consumer	106	55	107
Total net charge-offs	$ 121	$ 215	$ 449
Net charge-offs - annualized percentages:			
Commercial:			
Commercial and industrial	— %	0.27 %	0.91 %
Commercial real estate	0.05	0.14	0.61
Lease financing	0.18	1.18	0.54
Total commercial	0.03	0.31	0.84
Consumer:			
Residential mortgage	(0.01)	—	0.03
Automobile	0.05	(0.05)	0.26
Home equity	(0.05)	(0.05)	0.07
RV and marine	0.15	0.10	0.31
Other consumer	7.55	5.56	4.84
Total consumer	0.21	0.12	0.28
Net charge-offs as a % of average loans	0.11 %	0.22 %	0.57 %

NCOs decreased $94 million, or 44%, to $121 million in 2022 compared to 2021. NCOs for the commercial portfolios showed significant improvement, with net charge-offs of 0.03% in 2022 compared to 0.31% in 2021, primarily attributable to a reduction in NCOs in the C&I portfolio. Consumer charge-offs were higher in 2022 compared to 2021, primarily due to an increase in the other consumer portfolio.

Market Risk

Market risk refers to potential losses arising from changes in interest rates, foreign exchange rates, equity prices and commodity prices, including the correlation among these factors and their volatility. When the value of an instrument is tied to such external factors, the holder faces market risk. We are primarily exposed to interest rate risk as a result of offering a wide array of financial products to our customers and secondarily to price risk from trading securities, securities owned by our broker-dealer subsidiaries, foreign exchange positions, equity investments, and investments in securities backed by mortgage loans.

We measure market risk exposure via financial simulation models, which provide management with insights on the potential impact to net interest income and other key metrics as a result of changes in market interest rates. Models are used to simulate cash flows and accrual characteristics of the balance sheet based on assumptions regarding the slope or shape of the yield curve, the direction and volatility of interest rates, and the changing composition and characteristics of the balance sheet resulting from strategic objectives and customer behavior. Assumptions and models provide insight on forecasted balance sheet growth and composition, and the pricing and maturity characteristics of current and future business.

In measuring the financial risks associated with interest rate sensitivity in our balance sheet, we compare a set of alternative interest rate scenarios to the results of a base case scenario derived using market forward rates. The market forward reflects the market consensus regarding the future level and slope of the yield curve across a range of tenor points. The standard set of interest rate scenarios includes two types: “shock” scenarios which are immediate parallel rate shifts, and “ramp” scenarios where the parallel shift is applied gradually over the first 12 months of the forecast on a pro rata basis. In both shock and ramp scenarios with falling rates, we presume that market rates will not go below 0%. The scenarios are inclusive of all executed interest rate risk hedging activities. Forward starting hedges are included to the extent that they have been transacted and that they start within the measurement horizon.

Interest rate risk measurement is calculated and reported to the Board of Directors at least quarterly. A comprehensive discussion of risk management governance can be found in Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations and the “Risk Governance” section of this Form 10-K.

We use two approaches to model interest rate risk: Net interest income at risk (NII at risk) and economic value of equity at risk modeling sensitivity analysis (EVE at Risk).

Table 13 - Net Interest Income at Risk

	Net Interest Income at Risk (%)		
Basis point change scenario	-100	+100	+200
December 31, 2022	-2.0	2.0	4.0
December 31, 2021	-4.2	4.6	8.9

The NII at Risk results included in the table above reflect the analysis used monthly by management. It models gradual “ramp” -100, +100 and +200 basis point parallel shift scenarios, implied by the forward yield curve over the next twelve months.

The NII at Risk shows that the balance sheet is asset sensitive at both December 31, 2022 and December 31, 2021. The change in sensitivity is primarily driven by changes in forecasted market interest rate expectations, and the mix of the balance sheet.

Table 14 - Economic Value of Equity at Risk

	Economic Value of Equity at Risk (%)		
Basis point change scenario	-100	+100	+200
December 31, 2022	5.9	-8.0	-17.3
December 31, 2021	-4.6	-1.5	-5.6

The EVE results included in the table above reflect the analysis used monthly by management. It models immediate -100, +100 and +200 basis point parallel “shock” scenarios.

The change in sensitivity from December 31, 2021 was driven primarily by increases in the yield curve shortening the duration of liabilities, change in deposit mix, and hedging throughout the year.

As of December 31, 2022, Huntington had outstanding LIBOR-based instruments that mature after June 30, 2023, including loan and lease exposures totaling approximately $19 billion, notional derivative exposure totaling approximately $37 billion, securities of approximately $1 billion, and long-term debt of $347 million. To address the discontinuance of LIBOR in its current form, we established a LIBOR transition team and project plan under the oversight of the CRO and CFO, providing periodic updates to the ROC. Contract remediation efforts coordinated by the LIBOR transition team are scheduled for completion by June 2023. Source systems have been updated to support alternative reference rates. At this time alternative reference rates are predominantly SOFR based. As such, we have developed a SOFR-enabled interest rate risk monitoring framework and a strategy for managing interest rate risk during the transition from LIBOR to SOFR. We continue to monitor market developments and regulatory updates. For a discussion of the risks associated with the LIBOR transition to alternative reference rates, refer to "Item 1A: Risk Factors."

Use of Derivatives to Manage Interest Rate Risk

An integral component of our interest rate risk management strategy is the use of derivative instruments to minimize significant fluctuations in earnings caused by changes in market interest rates. Examples of derivative instruments that we may use as part of our interest rate risk management strategy include interest rate swaps, caps and floors, forward contracts, and forward starting interest rate swaps.

Table 15 shows all swap, swaption collar and floor positions that are utilized for purposes of managing our exposures to the variability of interest rates. The interest rates variability may impact either the fair value of the assets and liabilities or impact the cash flows attributable to net interest margin. These positions are used to protect the fair value of asset and liabilities by converting the contractual interest rate on a specified amount of assets and liabilities (i.e., notional amounts) to another interest rate index. The positions are also used to hedge the variability in cash flows attributable to the contractually specified interest rate by converting the variable rate index into a fixed rate. The volume, maturity, and mix of derivative positions change frequently as we adjust our broader interest rate risk management objectives and the balance sheet positions to be hedged. For further information, including the notional amount and fair values of these derivatives, refer to Note 20 "Derivative Financial Instruments" of the Notes to Consolidated Financial Statements.

The following tables present additional information about the interest rate swaps, swaption collars, and floors used in Huntington's asset and liability management activities.

Table 15 - Weighted-Average Maturity, Receive Rate and SOFR/LIBOR Reset Rate on Asset Liability Management Instruments

	At December 31, 2022				
(dollar amounts in millions)	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Fixed Rate	Weighted-Average Reset Rate
Asset conversion swaps					
Receive Fixed - Pay 1 month LIBOR	$ 7,875	1.41	$ (390)	1.21 %	4.20 %
Receive Fixed - Pay SOFR	8,700	3.55	(351)	2.57	3.90
Pay Fixed - Receive 1 month LIBOR (1)	8,024	3.89	834	0.93	4.37
Pay Fixed - Receive SOFR	366	7.02	49	1.46	3.82
Receive Fixed - Pay SOFR - forward starting (2)	2,950	4.91	(109)	2.64	—
Pay Fixed - Receive 1 month LIBOR - forward starting (3)	91	7.31	12	1.62	—
Pay Fixed - Receive SOFR - forward starting (1)(4)	1,926	6.17	85	2.17	—
Liability conversion swaps					
Receive Fixed - Pay 1 month LIBOR	1,430	1.85	(60)	2.01	4.25
Receive Fixed - Pay SOFR	6,299	4.91	(201)	3.16	3.36
Purchased swaption collars					
Purchased Interest Rate Swaption Collars (5)	4,800	0.27	(6)	2.87 / 4.05	
Basis swaps					
Pay SOFR- Receive Fed Fund (economic hedges) (6)	174	3.58	$ —	4.33	4.31
Pay Fed Fund - Receive SOFR (economic hedges) (6)	1	12.81	—	4.35	4.33
Total swap portfolio (7)	$ 42,636		$ (137)		

	At December 31, 2021				
(dollar amounts in millions)	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Fixed Rate	Weighted-Average Reset Rate
Asset conversion swaps					
Receive Fixed - Pay 1 month LIBOR	$ 10,775	1.88	$ 58	1.38 %	0.11 %
Pay Fixed - Receive 1 month LIBOR (1)	1,625	8.83	34	1.08	0.10
Pay Fixed - Receive SOFR	67	7.98	—	1.32	—
Pay Fixed - Receive 1 month LIBOR - forward starting (8)	6,500	3.97	78	0.90	—
Pay Fixed - Receive SOFR - forward starting (8)	36	7.32	—	1.29	—
Liability conversion swaps					
Receive Fixed - Pay 1 month LIBOR	1,928	2.16	54	2.13	0.10
Basis swaps					
Pay SOFR- Receive Fed Fund (economic hedges) (6)	230	3.66	$ —	0.08	0.06
Pay Fed Fund - Receive SOFR (economic hedges) (6)	41	0.98	—	0.05	0.08
Total swap portfolio	$ 21,202		$ 224		

	At December 31, 2021				
(dollar amounts in millions)	Notional Value	Average Maturity (years)	Fair Value	Weighted-Average Floor Strike	Weighted-Average Reset Rate
Interest rate floors					
Purchased Interest Rate Floors - 1 month LIBOR	$ 375	0.06	$ 2	1.93 %	0.10 %
Total floors portfolio	$ 375		$ 2		

(1) Amounts include interest rate swaps as fair value hedges of fixed-rate investment securities using the portfolio layer method.
(2) Forward starting swaps effective starting from January 2023 to July 2024.
(3) Forward starting swaps effective starting from January 2023 to February 2023
(4) Forward starting swaps effective starting from January 2023 to October 2027.
(5) The weighted average fixed rates for the swaption collars are the weighted average strike rates for the upper and lower bounds of the collars.
(6) Swaps have variable pay and variable receive resets. Weighted Average Fixed Rate column represents pay rate reset.
(7) LIBOR swap instruments that remain outstanding in July 2023 will transition to a SOFR-based rate.
(8) Forward starting swaps effective starting from January 2022 to February 2023.

MSRs

(This section should be read in conjunction with Note 7 - "Mortgage Loan Sales and Servicing Rights" of Notes to Consolidated Financial Statements.)

At December 31, 2022, we had a total of $494 million of capitalized MSRs representing the right to service $32.4 billion in mortgage loans.

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 and declines in credit quality. Prepayments usually increase when mortgage interest rates decline and decrease when mortgage interest rates rise. We also employ hedging 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 changes in the MSR value net of hedge-related trading activity in the mortgage banking income category of noninterest income.

MSR assets are included in servicing rights and other intangible assets in the 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 subsidiaries, foreign exchange positions, derivative instruments, and equity investments. 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.

Liquidity Risk

Liquidity risk is the possibility of us being unable to meet current and future financial obligations in a timely manner. The goal of liquidity management is to ensure adequate, stable, reliable, and cost-effective sources of funds to satisfy changes in loan and lease demand, unexpected levels of deposit withdrawals, investment opportunities, and other contractual obligations. We consider core earnings, strong capital ratios, and credit quality essential for maintaining high credit ratings, which allows us cost-effective access to market-based liquidity. We mitigate liquidity risk by maintaining liquid assets in the form of cash, deposits at the Federal Reserve Bank, and investment securities. In addition, we maintain a large, stable core deposit base and a diversified base of readily available wholesale funding sources, including advances from the FHLB through pledged borrowing capacity, issuance through dealers in the capital markets, and access to certificates of deposit issued through brokers. The Board of Directors approves the liquidity strategy and furthermore reviews the acceptable level of liquidity risk, policy, and procedures established by senior management. The ALCO is appointed by the ROC to oversee liquidity risk management and the establishment of liquidity risk policies and limits. Liquidity Risk is managed centrally by Corporate Treasury. Our liquidity position is evaluated daily, weekly, and monthly by analyzing the composition of all funding sources, reviewing projected liquidity commitments by future months, and identifying sources and uses of funds. The overall management of our liquidity position is also integrated into consumer and commercial pricing policies to ensure a stable core deposit base. Liquidity risk is reviewed and managed continuously 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.

Our primary source of liquidity is our core deposit base. Core deposits comprised approximately 96% of total deposits at December 31, 2022. We also have available unused wholesale sources of liquidity. Liquidity is further provided by unencumbered, or unpledged, investment securities that totaled $13.1 billion as of December 31, 2022.

The treasury department also maintains a contingency funding plan that provides for liquidity stress testing, which assesses the potential erosion of funds in the event of a systemic financial market crisis or institutional-specific stress scenario. An example of an institution specific event would be a downgrade in our public credit rating by a rating agency due to factors such as deterioration in asset quality, a large charge to earnings, a decline in profitability or other financial measures, or a significant merger or acquisition. Examples of systemic events unrelated to us that could have an effect on our access to liquidity would be terrorism or war, natural disasters, political events, or the default or bankruptcy of a major corporation, mutual fund, or hedge fund. Similarly, market speculation or rumors about us, or the banking industry in general, may adversely affect the cost and availability of normal funding sources. The contingency funding plan outlines the process for addressing a liquidity crisis. The plan provides for an evaluation of funding sources under various market conditions. It also assigns specific roles and responsibilities and communication protocols for effectively managing liquidity through a problem period.

Investment securities portfolio

(This section should be read in conjunction with Note 4 - "Investment Securities and Other Securities" of the Notes to Consolidated Financial Statements.)

Our investment securities portfolio is evaluated under established ALCO objectives. Changing market conditions could affect the profitability of the portfolio, as well as the level of interest rate risk exposure.

The weighted average yield by maturity of the investment securities portfolio is presented on the following table:

Table 16 - Investment Securities Weighted Average Yield by Maturity

	At December 31, 2022				
(dollar amounts in millions)	1 year or less Yield (1)	After 1 year through 5 years Yield (1)	After 5 years through 10 years Yield (1)	After 10 years Yield (1)	Total Yield (1)
Available-for-sale securities:					
U.S. Treasury	4.64 %	4.15 %	— %	— %	4.62 %
Federal agencies:					
Residential CMO	—	—	—	2.69	2.69
Residential MBS	—	—	1.57	2.16	2.16
Commercial MBS	—	—	—	2.82	2.82
Other agencies	—	1.81	2.59	4.93	3.51
Total U.S. Treasury, Federal agency, and other agency securities	4.64	2.01	2.41	2.34	2.35
Municipal securities	4.52	4.67	4.10	4.05	4.34
Private-label CMO	—	0.22	2.14	2.68	2.50
Asset-backed securities	5.25	1.90	1.67	2.62	3.02
Corporate debt	2.77	2.02	2.20	—	2.25
Other securities/Sovereign debt	1.64	0.80	—	—	0.96
Total available-for-sale securities	4.64 %	3.54 %	3.02 %	2.40 %	2.61 %
Held-to-maturity securities:					
Federal agencies:					
Residential CMO	— %	— %	2.56 %	2.44 %	2.45 %
Residential MBS	—	—	—	2.51	2.51
Commercial MBS	—	—	2.77	2.52	2.52
Other agencies	—	2.49	2.35	2.60	2.51
Total Federal agencies and other agencies	—	2.49	2.60	2.49	2.49
Municipal securities	—	—	—	2.63	2.63
Total held-to-maturity securities	— %	2.49 %	2.60 %	2.49 %	2.49 %

(1) Weighted average yields were calculated using amortized cost on a fully-taxable equivalent basis, assuming a 21% tax rate where applicable.

Bank Liquidity and Sources of Funding

Our primary sources of funding for the Bank are consumer and commercial core deposits. At December 31, 2022, these core deposits funded 78% of total assets (119% of total loans). 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 $25 million and $29 million at December 31, 2022 and December 31, 2021, respectively.

The following table reflects deposit composition detail:

Table 17 - Deposit Composition

	At December 31,			
(dollar amounts in millions)	2022		2021	
By Type:				
Demand deposits—noninterest-bearing	$ 38,242	26 %	$ 43,236	30 %
Demand deposits—interest-bearing	43,136	29	39,837	28
Money market deposits	36,082	24	32,522	23
Savings and other domestic deposits	20,357	14	21,088	15
Core certificates of deposit (1)	4,324	3	2,740	2
Total core deposits:	142,141	96	139,423	98
Other domestic deposits of $250,000 or more	220	—	359	—
Negotiable CDs, brokered and other deposits	5,553	4	3,481	2
Total deposits	$ 147,914	100 %	$ 143,263	100 %
Total core deposits:				
Commercial	$ 64,107	45 %	$ 61,521	44 %
Consumer	78,034	55	77,902	56
Total core deposits	$ 142,141	100 %	$ 139,423	100 %

(1) Includes consumer certificates of deposit of $250,000 or more.

The following table reflects consolidated Huntington Bancshares Incorporated amounts. Uninsured deposits are defined as the portion of deposit accounts in U.S. offices that exceed the FDIC insurance limit or similar state deposit insurance regimes and amounts in any other uninsured investment or deposit accounts that are classified as deposits and not subject to any federal or state deposit insurance regimes.

Table 18 - Uninsured deposits

	At December 31,	
(dollar amounts in millions)	2022	2021
Uninsured deposits (1)	$ 47,283	$ 48,869

(1) Uninsured deposits were determined by adjusting the amounts reported in the Bank Call Report by internal deposits to arrive at consolidated Huntington Bancshares Incorporated.

	At December 31, 2022				
(dollar amounts in millions)	3 months or less	3 months to 6 months	6 months to 12 months	12 months or more	Total
Portion of U.S. time deposits in excess of insurance limit	$ 107	$ 67	$ 115	$ 173	$ 462

To the extent we are unable to obtain sufficient liquidity through core deposits, we may meet our liquidity needs through sources of wholesale funding, asset securitization or sale. Sources of wholesale funding include other domestic deposits of $250,000 or more, negotiable CDs, brokered and other deposits, short-term borrowings, and long-term debt. Our wholesale funding for both the Bank and parent company totaled $17.5 billion at December 31, 2022, compared to $11.3 billion at December 31, 2021. The increase from the prior year-end is primarily due to increases in senior debt, brokered funds, and FHLB borrowings.

The Bank may issue long-term debt pursuant to an authorization from the Bank's board of directors that allows for the periodic issuance of senior and/or subordinated debt securities with fixed or floating interest rates. The aggregate principal amount of the debt securities available for issuance is capped by the board authorization and is reviewed periodically for adjustment.

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 Bank Discount Window and the FHLB were $90.0 billion at December 31, 2022.

At December 31, 2022, we believe the Bank has sufficient liquidity and capital resources to meet its cash flow obligations over the next 12 months and for the foreseeable future.

The following table reflects the composition and maturities of the loan and lease portfolio:

Table 19 - Maturity Schedule of Loans and leases

	At December 31, 2022				
(dollar amounts in millions)	One Year or Less	One to Five Years	Five to Fifteen Years	After Fifteen Years	Total
Commercial:					
Commercial and industrial	$ 12,443	$ 26,186	$ 5,789	$ 709	$ 45,127
Commercial real estate	3,251	10,433	2,898	52	16,634
Lease financing	447	3,721	832	252	5,252
Total commercial	16,141	40,340	9,519	1,013	67,013
Consumer:					
Residential mortgage	11	88	1,947	20,180	22,226
Automobile	167	7,961	4,992	34	13,154
Home equity	195	361	2,229	7,590	10,375
RV and marine	2	102	2,994	2,278	5,376
Other consumer	350	831	154	44	1,379
Total consumer	725	9,343	12,316	30,126	52,510
Total loans and leases	$ 16,866	$ 49,683	$ 21,835	$ 31,139	$ 119,523
Percent of total	14 %	42 %	18 %	26 %	100 %

The following table reflects the loans and leases due after one year:

Table 20 - Loans and leases due after one year

	Interest rate	
(dollar amounts in millions)	Fixed	Floating or Adjustable
Commercial:		
Commercial and industrial	$ 9,781	$ 22,903
Commercial real estate	1,128	12,255
Lease financing	4,579	226
Total commercial	15,488	35,384
Consumer:		
Residential mortgage	10,137	12,078
Automobile	12,987	—
Home equity	2,562	7,618
RV and marine finance	5,374	—
Other consumer	459	570
Total consumer	31,519	20,266
Total loans and leases	$ 47,007	$ 55,650

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 securities.

The parent company had $3.5 billion and $2.8 billion, at December 31, 2022 and December 31, 2021, in cash and cash equivalents, respectively.

On January 18, 2023, our Board of Directors declared a quarterly common stock cash dividend of $0.155 per common share. The dividend is payable on April 3, 2023, to shareholders of record on March 20, 2023. Based on the current quarterly dividend of $0.155 per common share, cash demands required for common stock dividends are estimated to be approximately $224 million per quarter. Additionally, on January 18, 2023, our Board of Directors declared a quarterly Series B, Series E, Series F, Series G, and Series H Preferred Stock dividend payable on April 17, 2023 to shareholders of record on April 1, 2023. On December 8, 2022, our Board of Directors declared a quarterly dividend for the Series I Preferred Stock payable on March 1, 2023 to shareholders of record on February 15, 2023. Based on the current quarterly dividends declared, total cash demands required for Series B, Series E, Series F, Series G, Series H and Series I Preferred Stock are expected to be approximately $29 million per quarter.

During 2022, the Bank paid preferred and common dividends to the parent company of $45 million and $1.5 billion, respectively. To meet any additional liquidity needs, the parent company may issue debt or equity securities. To support the parent company's ability to issue debt or equity securities, we have filed with the SEC an automatic shelf registration statement covering an indeterminate amount or number of securities to be offered or sold from time to time as authorized by the Huntington's Board of Directors.

At December 31, 2022, we believe the Company has sufficient liquidity and capital resources to meet its cash flow obligations over the next 12 months and 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, caps and floors, swaption collars, 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 22 - "Commitments and Contingent Liabilities" of the Notes to Consolidated Financial Statements 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 22 - "Commitments and Contingent Liabilities" of the Notes to Consolidated Financial Statements 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 22 - "Commitments and Contingent Liabilities" of the Notes to Consolidated Financial Statements for more information.*

Contractual obligations, including off-balance sheet arrangements are properly considered in our liquidity risk management process. At December 31, 2022, we believe the Company has sufficient liquidity and capital resources to meet its cash flow obligations over the next 12 months and for the foreseeable future.

Table 21 - Contractual Obligations (1)

	At December 31, 2022				
(dollar amounts in millions)	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
Deposits without a stated maturity	$ 142,684	$ —	$ —	$ —	$ 142,684
Certificates of deposit and other time deposits	2,411	2,734	85	—	5,230
Short-term borrowings	2,027	—	—	—	2,027
Long-term debt (2)	1,035	3,733	589	4,645	10,002
Operating lease obligations	70	125	79	262	536
Purchase commitments	164	188	66	70	488

(1) Amounts do not include associated interest payments.
(2) Maturities are based upon the par value.

Operational Risk

Operational risk is the risk of loss due to human error, third-party performance failures, 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, failed business contingency plans, and security risks. We continuously strive to strengthen our system of internal controls to ensure compliance with significant contracts, agreements, laws, rules, and regulations, and to improve the oversight of our operational risk.

We actively monitor cyberattacks 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. Cybersecurity threats have increased, primarily through phishing campaigns. We are actively monitoring our email gateways for malicious phishing email campaigns. We have also increased our cybersecurity and fraud monitoring activities through the implementation of specific monitoring of remote connections by geography and volume of connections to detect anomalous remote logins, since a significant portion of our workforce has the option to work remotely.

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 its own goals. To this end we employ a set of defense in-depth strategies, which include efforts to make us 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 govern operational risks, we have an Operational Risk Committee, a Legal, Regulatory, and Compliance Committee, a Funds Movement Committee, and a Third Party Risk Management 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 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 remediation recommendations to the Risk Management Committee. Potential concerns may be escalated to our ROC and our Audit Committee, as appropriate. Significant findings or issues are escalated by the Third Party Risk Management Committee to the Technology Committee of the Board, as appropriate.

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

Compliance Risk

Financial institutions are subject to many laws, rules, and regulations at both the federal and state levels. 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. 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 hold ourselves to a high standard for adherence to compliance management and seek to continuously enhance our performance.

Capital

(This section should be read in conjunction with the "Regulatory Matters" section included in Part I, Item 1: Business and Note 23 - "Other Regulatory Matters" of the Notes to Consolidated Financial Statements.)

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

We are 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 CET1, which we use to measure capital adequacy.

Table 22 - Capital Under Current Regulatory Standards (Basel III)

(dollar amounts in millions)	At December 31, 2022	2021
CET1 risk-based capital ratio:		
Total shareholders' equity	$ 17,731	$ 19,297
Regulatory capital adjustments:		
CECL transitional amount (1)	328	437
Shareholders' preferred equity and related surplus	(2,177)	(2,177)
Accumulated other comprehensive loss	3,098	230
Goodwill and other intangible assets, net of taxes	(5,663)	(5,484)
Deferred tax assets that arise from tax loss and credit carryforwards	(27)	(54)
CET1 capital	13,290	12,249
Additional tier 1 capital		
Shareholders' preferred equity and related surplus	2,177	2,177
Tier 1 capital	15,467	14,426
Long-term debt and other tier 2 qualifying instruments	1,424	1,539
Qualifying allowance for loan and lease losses	1,682	1,281
Tier 2 capital	3,106	2,820
Total risk-based capital	$ 18,573	$ 17,246
RWA	$ 141,940	$ 131,266
CET1 risk-based capital ratio	9.36 %	9.33 %
Other regulatory capital data:		
Tier 1 risk-based capital ratio	10.90	10.99
Total risk-based capital ratio	13.09	13.14
Tier 1 leverage ratio	8.60	8.56

(1) Huntington and the Bank elected to temporarily delay certain effects of CECL on regulatory capital until January 1, 2022 pursuant to a rule that allowed BHCs and banks to delay for two years 100% of the day-one impact of adopting CECL and 25% of the cumulative change in the reported allowance for credit losses since adopting CECL. As of December 31, 2022, we have phased in 25% of the cumulative CECL deferral with the remaining impact to be recognized through the first quarter 2025.

Table 23 - Capital Adequacy—Non-Regulatory (Non-GAAP)

(dollar amounts in millions)	At December 31, 2022	2021
Consolidated capital calculations:		
Total shareholders' equity	$ 17,731	$ 19,297
Goodwill and other intangible assets	(5,766)	(5,591)
Deferred tax liability on other intangible assets (1)	41	51
Total tangible equity (2)	12,006	13,757
Preferred equity	(2,167)	(2,167)
Total tangible common equity (2)	$ 9,839	$ 11,590
Total assets	$ 182,906	$ 174,064
Goodwill and other intangible assets	(5,766)	(5,591)
Deferred tax liability on other intangible assets (1)	41	51
Total tangible assets (2)	$ 177,181	$ 168,524
Tangible equity / tangible asset ratio (2)	6.78 %	8.16 %
Tangible common equity / tangible asset ratio (2)	5.55	6.88
Tangible common equity / RWA ratio (2)	6.93	8.83

(1) Deferred tax liability related to other intangible assets is calculated at a 21% tax rate.
(2) Tangible equity, tangible common equity, and tangible assets, as well as ratios utilizing these financial measures are non-GAAP financial measures. See Non-GAAP Financial Measures in the Additional Disclosures section.

The following table presents certain regulatory capital data at the consolidated and Bank level:

Table 24 - Regulatory Capital Data (1)

(dollar amounts in millions)		Basel III At December 31, 2022	Basel III At December 31, 2021
Total risk-weighted assets	Consolidated	$ 141,940	$ 131,266
	Bank	141,571	130,597
CET1 risk-based capital	Consolidated	13,290	12,249
	Bank	14,133	13,261
Tier 1 risk-based capital	Consolidated	15,467	14,426
	Bank	15,334	14,445
Tier 2 risk-based capital	Consolidated	3,106	2,821
	Bank	2,313	1,982
Total risk-based capital	Consolidated	18,573	17,246
	Bank	17,647	16,427
CET1 risk-based capital ratio	Consolidated	9.36 %	9.33 %
	Bank	9.98	10.15
Tier 1 risk-based capital ratio	Consolidated	10.90	10.99
	Bank	10.83	11.06
Total risk-based capital ratio	Consolidated	13.09	13.14
	Bank	12.47	12.58
Tier 1 leverage ratio	Consolidated	8.60	8.56
	Bank	8.54	8.60

(1) Huntington and the Bank elected to temporarily delay certain effects of CECL on regulatory capital until January 1, 2022 pursuant to a rule that allowed BHCs and banks to delay for two years 100% of the day-one impact of adopting CECL and 25% of the cumulative change in the reported allowance for credit losses since adopting CECL. As of December 31, 2022, we have phased in 25% of the cumulative CECL deferral with the remaining impact to be recognized through the first quarter 2025.

At December 31, 2022, we, at both the consolidated and Bank level, maintained Basel III capital ratios in excess of the well-capitalized standards established by the Federal Reserve. The increase in the consolidated CET1 risk-based capital ratio compared to the prior year, was primarily driven by current period earnings, partially offset by dividends and growth in risk-weighted assets.

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 appetite 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 $17.7 billion at December 31, 2022, a decrease of $1.6 billion, or 8%, when compared with December 31, 2021. The decrease was primarily driven by the higher rate environment causing an increase in accumulated other comprehensive loss, partially offset by earnings, net of dividends.

Huntington is authorized to make capital distributions that are consistent with the requirements in the Federal Reserve's capital rule, inclusive of the SCB requirement. On April 5, 2022, Huntington submitted its 2022 Capital Plan to the Federal Reserve for supervisory review. By notice dated August 4, 2022, the Federal Reserve informed Huntington that its final SCB requirement associated with its 2022 Capital Plan is 3.3%, effective for the period of October 1, 2022 through September 20, 2023. As of December 31, 2022, Huntington's SCB requirement was 3.3%.

Share Repurchases

From time to time the Board of Directors authorizes the Company to repurchase shares of our common stock. Although we announce when our Board 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.

On January 18, 2023, our Board authorized the repurchase of up to $1.0 billion of common shares within the eight quarter period ending December 31, 2024, subject to the Federal Reserve's capital regulations. Purchases of common stock under the authorization may include open market purchases, privately negotiated transactions, and accelerated share repurchase programs.

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 four major business segments: Commercial Banking, Consumer and Business Banking, Vehicle Finance, and Regional Banking and The Huntington Private Client Group (RBHPCG). The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

To align with our strategic priorities, in the second quarter of 2023, we plan to complete an organizational realignment to consolidate three of our current major business segments, consisting of Consumer and Business Banking, Vehicle Finance, and RBHPCG, into one new major business segment called Consumer & Regional Banking. This will result in two major business segments, Consumer & Regional Banking and Commercial Banking.

Business segment results are determined based upon our management practices, 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.

For a discussion of business segment trends for 2021 versus 2020, see "Part II, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations" Business Segment Discussion included in our 2021 Form 10-K, filed with the SEC on February 18, 2022.

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 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 four business segments from Treasury / Other. We utilize a full-allocation methodology, where all Treasury / Other expenses, except reported acquisition-related expenses, if any, and a small amount of other residual unallocated expenses, are allocated to the four business segments.

Funds Transfer Pricing (FTP)

We use an active and centralized FTP methodology to attribute appropriate net interest income to the business segments. The intent of the FTP methodology is to transfer interest rate risk from the business segments by providing modeled 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 (Loss) by Business Segment

Net income (loss) by business segment for the past three years is presented in the following table:

Table 25 - Net Income by Business Segment

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Commercial Banking	$ 1,143	$ 798	$ 78
Consumer and Business Banking	789	308	270
Vehicle Finance	191	319	120
RBHPCG	106	55	85
Treasury / Other	9	(185)	264
Net income	$ 2,238	$ 1,295	$ 817

Commercial Banking

Table 26 - Key Performance Indicators for Commercial Banking

	Year Ended December 31,		Change from 2021		Year Ended December 31,
(dollar amounts in millions unless otherwise noted)	2022	2021	Amount	Percent	2020
Net interest income	$ 1,879	$ 1,284	$ 595	46 %	$ 903
Provision for credit losses	28	4	24	NM	626
Noninterest income	670	523	147	28	364
Noninterest expense	1,061	791	270	34	542
Provision for income taxes	307	212	95	45	21
Income attributable to non-controlling interest	10	2	8	NM	—
Net income attributable to Huntington Bancshares Inc	$ 1,143	$ 798	$ 345	43 %	$ 78
Number of employees (average FTE)	2,134	1,754	380	22 %	1,276
Total average assets	$ 59,962	$ 44,427	$ 15,535	35	$ 35,490
Total average loans/leases	52,275	38,092	14,183	37	27,234
Total average deposits	35,551	29,351	6,200	21	23,321
Net interest margin	3.42 %	3.15 %	0.27 %	9	3.04 %
NCOs	$ 2	$ 119	$ (117)	(98)	$ 302
NCOs as a % of average loans and leases	— %	0.31 %	(0.31)%	NM	1.11 %

Commercial Banking reported net income of $1.1 billion in 2022, an increase of $345 million, or 43%, compared to the year ago period. Segment net interest income increased $595 million, or 46%, primarily due to an increase in average loans and leases, reflecting the impact of the TCF acquisition and continued organic loan and lease growth, and a 27-basis point increase in NIM, driven by the higher rate environment resulting in an increase in spreads. The provision for credit losses increased $24 million due to a combination of loan and lease growth in 2022 and a reduction in ACL coverage ratios over the course of 2021, as there was more clarity around the economic impacts of COVID-19. Noninterest income increased $147 million, or 28%, reflecting the impact of the TCF acquisition in addition to an increase in capital markets fees, primarily due to higher advisory fees supported by the impact of the Capstone Partners acquisition, loan syndication fees, foreign exchange fees, and interest rate derivatives fees. Noninterest expense increased $270 million, or 34%, primarily reflecting the impact of the TCF and Capstone Partners acquisitions, which led to higher personnel costs and allocated overhead.

Consumer and Business Banking

Table 27 - Key Performance Indicators for Consumer and Business Banking

	Year Ended December 31,		Change from 2021		Year Ended December 31,
(dollar amounts in millions unless otherwise noted)	2022	2021	Amount	Percent	2020
Net interest income	$ 2,577	$ 1,667	$ 910	55 %	$ 1,436
Provision for credit losses	161	91	70	77	265
Noninterest income	1,017	1,045	(28)	(3)	945
Noninterest expense	2,434	2,231	203	9	1,774
Provision for income taxes	210	82	128	NM	72
Net income	$ 789	$ 308	$ 481	NM	$ 270
Number of employees (average FTE)	10,573	9,211	1,362	15 %	7,908
Total average assets	$ 38,374	$ 36,617	$ 1,757	5	$ 28,853
Total average loans/leases	32,123	31,436	687	2	25,453
Total average deposits	94,071	81,289	12,782	16	56,960
Net interest margin	2.71 %	2.02 %	0.69 %	34	2.48 %
NCOs	$ 106	$ 96	$ 10	10	$ 102
NCOs as a % of average loans and leases	0.33 %	0.31 %	0.02 %	6	0.40 %

Consumer and Business Banking reported net income of $789 million in 2022, an increase of $481 million, compared to the year ago period. Segment net interest income increased $910 million, or 55%, primarily due to a 69 basis point increase in NIM driven by the higher rate environment and an increase in average assets reflecting the impact of the TCF acquisition, partially offset by a decrease in accelerated PPP loan fees recognized upon forgiveness payments from the SBA. The provision for credit losses increased $70 million, or 77%, primarily due to an increase in loan growth and uncertainty in the near-term recessionary risks. Noninterest income decreased $28 million, or 3%, primarily due to lower mortgage banking income reflecting lower salable volume and secondary marketing spreads, partially offset by the impact of the TCF acquisition and an increase in gain on sale of loans, primarily due to sales of SBA loans during the first through third quarters of 2022. Noninterest expense increased $203 million, or 9%, primarily due to the impact of the TCF acquisition largely driven by higher personnel expense reflecting an increase in the number of FTE employees and allocated overhead.

Vehicle Finance

Table 28 - Key Performance Indicators for Vehicle Finance

(dollar amounts in millions unless otherwise noted)	Year Ended December 31, 2022	Year Ended December 31, 2021	Change from 2021 Amount	Change from 2021 Percent	Year Ended December 31, 2020
Net interest income	$ 477	$ 468	$ 9	2 %	$ 430
Provision (benefit) for credit losses	83	(86)	169	NM	146
Noninterest income	13	13	—	—	9
Noninterest expense	165	163	2	1	141
Provision for income taxes	51	85	(34)	(40)	32
Net income	$ 191	$ 319	$ (128)	(40) %	$ 120
Number of employees (average FTE)	272	262	10	4 %	266
Total average assets	$ 21,306	$ 19,787	$ 1,519	8	$ 19,760
Total average loans/leases	21,558	20,028	1,530	8	19,939
Total average deposits	1,242	1,161	81	7	653
Net interest margin	2.21 %	2.33 %	(0.12)%	(5)	2.15 %
NCOs	$ 13	$ (1)	$ 14	NM	$ 45
NCOs as a % of average loans and leases	0.06 %	— %	0.06 %	100	0.23 %

Vehicle Finance reported net income of $191 million in 2022, a decrease of $128 million, or 40%, compared to the year ago period. Segment net interest income increased $9 million or 2%, primarily due to an increase in average earning assets, partially offset by a 12 basis point decrease in the NIM. The provision for credit losses increased $169 million, primarily due to reserve releases in 2021 as the economic environment was improving, contrasted with reserve builds in 2022 that recognize the increased near-term recessionary risks.

Regional Banking and The Huntington Private Client Group

Table 29 - Key Performance Indicators for Regional Banking and The Huntington Private Client Group

(dollar amounts in millions unless otherwise noted)	Year Ended December 31, 2022	Year Ended December 31, 2021	Change from 2021 Amount	Change from 2021 Percent	Year Ended December 31, 2020
Net interest income	$ 232	$ 159	$ 73	46 %	$ 160
Provision for credit losses	17	16	1	6	11
Noninterest income	239	227	12	5	201
Noninterest expense	320	300	20	7	243
Provision for income taxes	28	15	13	87	22
Net income	$ 106	$ 55	$ 51	93 %	$ 85
Number of employees (average FTE)	1,110	1,071	39	4 %	1,018
Total average assets	$ 9,304	$ 7,496	$ 1,808	24	$ 6,845
Total average loans/leases	9,016	7,199	1,817	25	6,574
Total average deposits	9,375	8,187	1,188	15	6,531
Net interest margin	2.39 %	1.90 %	0.49 %	26	2.36 %
NCOs	$ —	$ —	$ —	—	$ —
NCOs as a % of average loans and leases	(0.01)%	— %	(0.01)%	NM	0.01 %
Total assets under management *(in billions)—eop*	$ 21.7	$ 25.2	$ (3.5)	(14)	$ 19.8
Total trust assets *(in billions)—eop*	142.4	135.7	6.7	5	123.0

eop—End of Period.

RBHPCG reported net income of $106 million in 2022, an increase of $51 million, or 93%, compared to the year ago period. Segment net interest income increased $73 million, or 46%, primarily due to an increase in average earning assets and a 49 basis point increase in NIM, largely driven by higher benefit in deposit spreads. Average loans and leases increased $1.8 billion, or 25%, due to growth in both commercial and residential real estate mortgages, and the impact of the TCF acquisition. Average deposits increased $1.2 billion, or 15%, primarily related to the acquired TCF deposit portfolio. Noninterest income increased $12 million, or 5%, reflecting higher sales production and the impact of the TCF acquisition. Total assets under management decreased 14% due to equity and bond market declines, partially offset by strong sales. Noninterest expense increased $20 million, or 7%, primarily due to an increase in personnel expense impacted by the TCF acquisition and impacts of strategic initiative investments.

Treasury / Other

The Treasury / Other function includes revenue and expense related to assets, liabilities, derivatives (including mark-to-market of interest rate caps, as applicable), and equity not directly assigned or allocated to one of the four business segments. Assets include investment securities and bank owned life insurance.

Net interest income includes the impact of administering our investment securities portfolios, the net impact of derivatives used to hedge interest rate sensitivity as well as the financial impact associated with our FTP methodology, as described above. Noninterest income includes miscellaneous fee income not allocated to other business segments, such as bank owned life insurance income and securities and trading asset gains or losses. Noninterest expense includes certain corporate administrative, acquisition-related expenses, if any, and other miscellaneous expenses not allocated to other business segments. The provision for income taxes for the business segments is calculated at a statutory 21% tax rate, although our overall effective tax rate is lower.

ADDITIONAL DISCLOSURES

Forward-Looking Statements

This report, including MD&A, contains certain forward-looking statements, including, but not limited to, certain plans, expectations, goals, projections, and statements, which are not historical facts and 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: changes in general economic, political, or industry conditions; deterioration in business and economic conditions, including persistent inflation, supply chain issues or labor shortages; instability in global economic conditions and geopolitical matters, as well as volatility in financial markets; the impact of pandemics, including the COVID-19 pandemic and related variants and mutations, and their impact on the global economy and financial market conditions and our business, results of operations, and financial condition; cybersecurity risks; uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Federal Reserve; volatility and disruptions in global capital and credit markets; movements in interest rates; transition away from LIBOR; competitive pressures on product pricing and services; success, impact, and timing of our business strategies, including market acceptance of any new products or services including those implementing our “Fair Play” banking philosophy; 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 other factors that may affect the future results of Huntington.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. Huntington does not assume any 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-GAAP Financial Measures

This document contains GAAP financial measures and non-GAAP financial measures where management believes it to be helpful in understanding our results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found herein.

Fully-Taxable Equivalent Basis

Interest income, yields, and ratios on an FTE basis are considered non-GAAP financial measures. Management believes net interest income on an FTE basis provides an insightful picture of the interest margin for comparison purposes. The FTE basis also allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The FTE basis assumes a federal statutory tax rate of 21 percent. We encourage readers to consider the Consolidated Financial Statements and other financial information contained in this Form 10-K in their entirety, and not to rely on any single financial measure.

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,
- Tangible equity to tangible assets, and
- Tangible common equity to risk-weighted assets using 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 our capitalization to other financial services companies. These ratios differ from capital ratios defined by banking regulators principally in that the numerator excludes goodwill and other intangible assets, the nature and extent of which varies among different financial services companies. These ratios are not defined in 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, we encourage readers to consider the Consolidated Financial Statements and other financial information contained in this Form 10-K in their entirety, and not to rely on any single financial measure.

Risk Factors

More information on risk is discussed in the Risk Factors section included in Item 1A: "Risk Factors" of this report. Additional information regarding risk factors can also be found in the Risk Management and Capital discussion of this report, as well as the "Regulatory Matters" section included in Item 1: Business of this report.

Critical Accounting Policies and Use of Significant Estimates

Our Consolidated Financial Statements are prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires us to establish accounting policies and make estimates that affect amounts reported in our Consolidated Financial Statements. Note 1 - "Significant Accounting Policies" of the Notes to Consolidated Financial Statements, which is incorporated by reference into this MD&A, describes the significant accounting policies we used in our Consolidated Financial Statements.

An accounting estimate requires assumptions and judgments about uncertain matters that could have a material effect on the Consolidated Financial Statements. Estimates are made under facts and circumstances at a point in time, and changes in those facts and circumstances could produce results substantially different from those estimates. Our most significant accounting policies and estimates and their related application are discussed below.

Allowance for Credit Losses

Our ACL at December 31, 2022 represents our current estimate of the lifetime credit losses expected from our loan and lease portfolio and our unfunded lending commitments. Management estimates the ACL by projecting probability of default, loss given default and exposure at default conditional on economic parameters, for the remaining contractual term. Internal factors that impact the quarterly allowance estimate include the level of outstanding balances, the portfolio performance and assigned risk ratings.

One of the most significant judgments influencing the ACL estimate is the macroeconomic forecasts. Key external economic parameters that directly impact our loss modeling framework include forecasted unemployment rates and Gross Domestic Product. Changes in the economic forecasts could significantly affect the estimated credit losses which could potentially lead to materially different allowance levels from one reporting period to the next.

Given the dynamic relationship between macroeconomic variables within our modeling framework, it is difficult to estimate the impact of a change in any one individual variable on the allowance. As a result, management uses a probability-weighted approach that incorporates a baseline, an adverse and a more favorable economic scenario when formulating the quantitative estimate.

However, to illustrate a hypothetical sensitivity analysis, management calculated a quantitative allowance using a 100% weighting applied to an adverse scenario. This scenario includes assumptions around OPEC oil supply cuts being more severe than anticipated and the Russian invasion of Ukraine worsening and lasting longer than the baseline scenario. The worsening inflationary pressures cause the Federal Reserve to raise interest rates more than in the baseline scenario to a peak of 5% by mid-2023. The combination of the worsening invasion, higher oil prices, rising inflation and the Federal Reserve's response collectively cause the stock market to drop further and the economy falls into a recession in the first quarter of 2023. Under this scenario, as an example, the unemployment rate increases from baseline levels and remains elevated for a prolonged period, the rate is estimated at 7.7% and 6.6% at the end of 2023 and 2024, respectively. This forecast reflects unemployment rates that are approximately 3.6% and 2.7% higher than baseline scenario projections of 4.1% and 3.9%, respectively for the same time periods.

To demonstrate the sensitivity to key economic parameters used in the calculation of our ACL at December 31, 2022, management calculated the difference between our quantitative ACL and this 100% adverse scenario. Excluding consideration of qualitative adjustments, this sensitivity analysis would result in a hypothetical increase in our ACL of approximately $1 billion at December 31, 2022. This hypothetical increase is reflective of the sensitivity of the rate of change in the unemployment variable on our models.

The resulting difference is not intended to represent an expected increase in allowance levels for a number of reasons including the following:

- Management uses a weighted approach applied to multiple economic scenarios for its allowance estimation process;
- The highly uncertain economic environment;
- The difficulty in predicting the inter-relationships between the economic parameters used in the various economic scenarios; and
- The sensitivity estimate does not account for any general reserve components and associated risk profile adjustments incorporated by management as part of its overall allowance framework.

We regularly review our ACL for appropriateness by performing on-going evaluations of the loan and lease portfolio. In doing so, we consider factors such 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 also evaluate the impact of changes in key economic parameters 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. There is no certainty that our ACL will be appropriate over time to cover losses in our portfolio as economic and market conditions may ultimately differ from our reasonable and supportable forecast. Additionally, events adversely affecting specific customers, industries, or our markets such as geopolitical instability, risks of inflation including a near-term recession, or the emergence of a more contagious and severe COVID-19 variant, could severely impact our current expectations. If the credit quality of our customer base materially deteriorates or the risk profile of a market, industry, or group of customers changes materially, our net income and capital could be materially adversely affected which, in turn, could have a material adverse effect on our financial condition and results of operations. The extent to which the geopolitical instability, risks of inflation, and the COVID-19 pandemic will continue to negatively impact our businesses, financial condition, liquidity, and results will depend on future developments, which are highly uncertain and cannot be forecasted with precision at this time. *For more information, see Note 5 - "Loans / Leases" and Note 6 - "Allowance for Credit Losses" of the Notes to Consolidated Financial Statements.*

Fair Value Measurement

Certain assets and liabilities are measured at fair value on a recurring basis, including securities and derivative instruments. A majority of assets and liabilities measured on a recurring basis are based on quoted market prices or market prices for similar instruments. Assets and liabilities measured at fair value on a non-recurring basis or that result in a Level 3 measurement in the fair value hierarchy, inherently include subjectivity and may require the use of significant assumptions, adjustments and judgment including, among others, discount rates, rates of return on assets, cash flows, default rates, loss rates, terminal values, and liquidation values. A significant change in assumptions may result in a significant change in fair value, which in turn, may result in a higher degree of financial statement volatility and could result in significant impact on our results of operations, financial condition or disclosures of fair value information.

While all non-recurring and Level 3 fair value measurements inherently have a significant level of estimation uncertainty, the following items are those most likely to have a material impact on our financial statements:

- *Acquired Loans and Leases* - When Huntington acquires loans and leases through an acquisition those loans are recorded at fair value on the acquisition date. This requires significant assumptions to be made about credit quality, likelihood of prepayment and current market conditions for similar loans. These assumptions form the basis for establishing discount rates and projecting future cash flows used to estimate the acquired loans fair value. Management generally will utilize a third-party specialist when these valuations are significant and as a result will perform various sensitivity analysis to determine the significance of specific inputs into the valuation.
- *Direct Purchase Municipal Securities* - Huntington holds certain municipal securities purchased directly from the issuer in non-public offerings. As a result, these securities use unobservable inputs to estimate fair value each period. Management utilizes a third-party valuation specialist to assist in determining certain assumptions used in the valuation and projecting future cash flows used to estimate fair value of the securities. Management reviews the valuations including understanding how sensitive the valuation is to specific inputs.

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 19 - "Fair Value of Assets and Liabilities" of the Notes to Consolidated Financial Statements.

Goodwill

The acquisition method of accounting requires that assets and liabilities acquired in a business combination are recorded at fair value as of the acquisition date. The valuation of assets and liabilities often involves estimates based on third party valuations or internal valuations based on discounted cash flow analyses or other valuation techniques, all of which are inherently subjective. This typically results in goodwill, the amount by which the cost of net assets acquired in a business combination exceeds their fair value, which is subject to impairment testing at least annually.

Management reviews the goodwill of each reporting unit for impairment on an annual basis as of October 1 or more often if events or circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit is below its carrying value.

Based on our annual impairment analysis of goodwill as of October 1, it was determined that the fair value of each reporting unit was in excess of its respective carrying value as of October 1, 2022; therefore goodwill is considered not impaired. Huntington additionally performs sensitivity analyses around discount rate assumptions utilized in order to assess the reasonableness of the rates, and the resulting estimated fair values. As of October 1, 2022, a 100 basis point increase in discount rates would reduce estimated entity level fair value by approximately $2 billion and would not result in any impairment, as each reporting unit's fair value would still exceed its carrying value.

Recent Accounting Pronouncements and Developments

Note 2 - "Accounting Standards Update" of the Notes to Consolidated Financial Statements discusses new accounting pronouncements adopted during 2022 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 affects financial condition, results of operations, or liquidity, the impacts are discussed in the applicable section of this MD&A and the Notes to Consolidated Financial Statements.

Item 7A: Quantitative and Qualitative Disclosures About Market Risk

Information required by this item is set forth under the heading of "Market Risk" in Item 7: MD&A, which is incorporated by reference into this item.

Item 8: Financial Statements and Supplementary Data

Information required by this item is set forth in the Reports of Independent Registered Public Accounting Firm (PCAOB ID 238), Consolidated Financial Statements and Notes to Consolidated Financial Statements, which is incorporated by reference into this item. The selected quarterly financial data is no longer required. There were no material retrospective changes to any quarters in the two most recent fiscal years that would require this disclosure.

REPORT OF MANAGEMENT'S EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Management of Huntington Bancshares Incorporated (Huntington or the Company) is responsible for the financial information and representations contained in the Consolidated Financial Statements and other sections of this report. The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States. In all material respects, they reflect the substance of transactions that should be included based on informed judgments, estimates, and currently available information. Management maintains a system of internal accounting controls, which includes the careful selection and training of qualified personnel, appropriate segregation of responsibilities, communication of written policies and procedures, and a broad program of internal audits. The costs of the controls are balanced against the expected benefits. During 2022, the audit committee of the board of directors met regularly with Management, Huntington's internal auditors, and the independent registered public accounting firm, PricewaterhouseCoopers LLP, to review the scope of their audits and to discuss the evaluation of internal accounting controls and financial reporting matters. The independent registered public accounting firm and the internal auditors have free access to, and meet confidentially with, the audit committee to discuss appropriate matters. Also, Huntington maintains a disclosure review committee. This committee's purpose is to design and maintain disclosure controls and procedures to ensure that material information relating to the financial and operating condition of Huntington is properly reported to its chief executive officer, chief financial officer, chief auditor, and the audit committee of the board of directors in connection with the preparation and filing of periodic reports and the certification of those reports by the chief executive officer and the chief financial officer.

REPORT OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. Huntington's Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. In making this assessment, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013).* Based on that assessment, Management concluded that, as of December 31, 2022, the Company's internal control over financial reporting is effective based on those criteria. The Company's internal control over financial reporting as of December 31, 2022 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing on the next page.

Stephen D. Steinour – Chairman, President, and Chief Executive Officer

Zachary Wasserman – Senior Executive Vice President and Chief Financial Officer

February 17, 2023

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Huntington Bancshares Incorporated

Opinions on the Financial Statements and Internal Control over Financial Reporting
We have audited the accompanying consolidated balance sheets of Huntington Bancshares Incorporated and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Change in Accounting Principle
As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for the allowance for credit losses as of January 1, 2020.

Basis for Opinions
The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management's Assessment of Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting
A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters
The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of the General Reserve of the Allowance for Credit Losses
As described in Notes 1 and 6 to the consolidated financial statements, management's estimate of the allowance for credit losses of $2.3 billion as of December 31, 2022 includes a general reserve that consists of various risk-profile reserve components. The risk-profile components consider items unique to the Company's structure, policies, processes, and portfolio composition, as well as qualitative measurements and assessments of the Company's loan portfolios including, but not limited to, economic uncertainty, concentrations, portfolio composition, industry comparisons, and internal review functions.

The principal considerations for our determination that performing procedures relating to the valuation of the general reserve of the allowance for credit losses is a critical audit matter are (i) the significant judgment by management when determining the general reserve, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to the methodology and assumptions used to determine the general reserve, and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls related to the valuation of the general reserve of the allowance for credit losses. These procedures also included, among others, testing management's process for determining the general reserve, including evaluating the appropriateness of management's methodology, testing the completeness and accuracy of data utilized by management and evaluating the reasonableness of assumptions relating to the general reserve. Evaluating management's assumptions related to the general reserve involved evaluating whether the assumptions used were reasonable considering portfolio composition, relevant market data, and indicators of economic uncertainty. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of management's methodology and assumptions related to the general reserve.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Columbus, Ohio
February 17, 2023

We have served as the Company's auditor since 2015.

Huntington Bancshares Incorporated
Consolidated Balance Sheets

(dollar amounts in millions)	At December 31, 2022	2021
Assets		
Cash and due from banks	$ 1,796	$ 1,811
Interest-bearing deposits at Federal Reserve Bank	4,908	3,711
Interest-bearing deposits in banks	214	392
Trading account securities	19	46
Available-for-sale securities	23,423	28,460
Held-to-maturity securities	17,052	12,447
Other securities	854	648
Loans held for sale (includes $520 and $1,270 respectively, measured at fair value)(1)	529	1,676
Loans and leases (includes $185 and $171 respectively, measured at fair value)(1)	119,523	111,267
Allowance for loan and lease losses	(2,121)	(2,030)
Net loans and leases	117,402	109,237
Bank owned life insurance	2,753	2,765
Accrued income and other receivables	1,573	1,319
Premises and equipment	1,156	1,164
Goodwill	5,571	5,349
Servicing rights and other intangible assets	712	611
Other assets	4,944	4,428
Total assets	$ 182,906	$ 174,064
Liabilities and shareholders' equity		
Liabilities		
Deposits:		
Demand deposits—noninterest-bearing	$ 38,242	$ 43,236
Interest-bearing	109,672	100,027
Total deposits	147,914	143,263
Short-term borrowings	2,027	334
Long-term debt	9,686	7,108
Other liabilities	5,510	4,041
Total liabilities	165,137	154,746
Commitments and Contingent Liabilities (Note 22)		
Shareholders' equity		
Preferred stock	2,167	2,167
Common stock	14	14
Capital surplus	15,309	15,222
Less treasury shares, at cost	(80)	(79)
Accumulated other comprehensive (loss) gain	(3,098)	(229)
Retained earnings	3,419	2,202
Total Huntington Bancshares Inc shareholders' equity	17,731	19,297
Non-controlling interest	38	21
Total equity	17,769	19,318
Total liabilities and shareholders' equity	$ 182,906	$ 174,064
Common shares authorized (par value of $ 0.01)	2,250,000,000	2,250,000,000
Common shares outstanding	1,443,068,036	1,437,742,172
Treasury shares outstanding	6,322,052	6,298,288
Preferred stock, authorized shares	6,617,808	6,617,808
Preferred shares outstanding	557,500	557,500

(1) Amounts represent loans for which Huntington has elected the fair value option. See Note 19 "Fair Values of Assets and Liabilities"

See Notes to Consolidated Financial Statements

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Huntington Bancshares Incorporated
Consolidated Statements of Income

(dollar amounts in millions, except per share data, share amounts in thousands)	Year Ended December 31, 2022	2021	2020
Interest and fee income:			
Loans and leases	$ 4,816	$ 3,636	$ 3,085
Available-for-sale securities			
Taxable	576	261	237
Tax-exempt	74	56	61
Held-to-maturity securities-taxable	351	174	215
Other securities-taxable	27	10	6
Other interest income	125	54	43
Total interest income	5,969	4,191	3,647
Interest expense			
Deposits	363	45	197
Short-term borrowings	46	1	13
Long-term debt	287	43	213
Total interest expense	696	89	423
Net interest income	5,273	4,102	3,224
Provision for credit losses	289	25	1,048
Net interest income after provision for credit losses	4,984	4,077	2,176
Service charges on deposit accounts	384	372	301
Card and payment processing income	374	334	248
Capital markets fees	252	151	125
Trust and investment management services	249	232	189
Mortgage banking income	144	309	366
Leasing revenue	126	99	21
Insurance income	117	105	97
Gain on sale of loans	57	9	42
Bank owned life insurance income	56	69	64
Net gains (losses) on sales of securities	—	9	(1)
Other noninterest income	222	200	139
Total noninterest income	1,981	1,889	1,591
Personnel costs	2,401	2,335	1,692
Outside data processing and other services	610	850	384
Equipment	269	248	180
Net occupancy	246	277	158
Marketing	91	89	38
Professional services	77	113	55
Deposit and other insurance expense	67	51	32
Amortization of intangibles	53	48	41
Lease financing equipment depreciation	45	41	1
Other noninterest expense	342	323	214
Total noninterest expense	4,201	4,375	2,795
Income before income taxes	2,764	1,591	972
Provision for income taxes	515	294	155
Income after income taxes	2,249	1,297	817
Income attributable to non-controlling interest	11	2	—
Net income attributable to Huntington Bancshares Inc	2,238	1,295	817
Dividends on preferred shares	113	131	100
Impact of preferred stock redemption	—	11	—
Net income applicable to common shares	$ 2,125	$ 1,153	$ 717
Average common shares—basic	1,441,279	1,262,435	1,017,117
Average common shares—diluted	1,465,220	1,286,733	1,032,683
Per common share:			
Net income—basic	$ 1.47	$ 0.91	$ 0.71
Net income—diluted	1.45	0.90	0.69

See Notes to Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Comprehensive Income

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Net income attributable to Huntington Bancshares Inc	$ 2,238	$ 1,295	$ 817
Other comprehensive income, net of tax:			
Net unrealized (losses) gains on available-for-sale securities	(2,849)	(341)	216
Net impact of hedges on available-for-sale securities	665	87	2
Change in fair value of cash flow hedges on loans	(695)	(192)	232
Translations adjustments, net of hedges	(5)	(3)	—
Change in accumulated unrealized gains (losses) for pension and other post-retirement obligations	15	28	(2)
Other comprehensive (loss) income, net of tax	(2,869)	(421)	448
Comprehensive (loss) income attributable to Huntington Bancshares	(631)	874	1,265
Comprehensive income attributed to non-controlling interest	11	2	—
Comprehensive (loss) income	$ (620)	$ 876	$ 1,265

See Notes to Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Changes in Shareholders' Equity

(dollar amounts in millions, except per share data, share amounts in thousands)	Preferred Stock	Common Stock		Capital	Treasury Stock			Retained		Non-controlling	Total
	Amount	Shares	Amount	Surplus	Shares	Amount	AOCI	Earnings	Total	Interest	Equity
Year Ended December 31, 2022											
Balance, beginning of year	$ 2,167	1,444,040	$ 14	$ 15,222	(6,298)	$ (79)	$ (229)	$ 2,202	$ 19,297	$ 21	$ 19,318
Net income								2,238	2,238	11	2,249
Other comprehensive (loss) income, net of tax							(2,869)		(2,869)		(2,869)
Cash dividends declared:											
Common ($0.62 per share)								(908)	(908)		(908)
Preferred								(113)	(113)		(113)
Recognition of the fair value of share-based compensation				105					105		105
Other share-based compensation activity		5,350		(19)					(19)		(19)
Other				1	(24)	(1)			—	6	6
Balance, end of year	$ 2,167	1,449,390	$ 14	$ 15,309	(6,322)	$ (80)	$ (3,098)	$ 3,419	$ 17,731	$ 38	$ 17,769

(dollar amounts in millions, except per share data, share amounts in thousands)	Preferred Stock	Common Stock		Capital	Treasury Stock			Retained		Non-controlling	Total
	Amount	Shares	Amount	Surplus	Shares	Amount	AOCI	Earnings	Total	Interest	Equity
Year Ended December 31, 2021											
Balance, beginning of year	$ 2,191	1,022,258	$ 10	$ 8,781	(5,062)	$ (59)	$ 192	$ 1,878	$ 12,993	$ —	$ 12,993
Net income								1,295	1,295	2	1,297
Other comprehensive (loss) income, net of tax							(421)		(421)		(421)
TCF Financial Corp Acquisition:											
Issuance of common stock		458,171	5	6,993		(37)			6,961		6,961
Issuance of Series I Preferred Stock	175			10					185		185
Non-controlling interest acquired										22	22
Net proceeds from issuance of Series H Preferred Stock	486								486		486
Redemption of preferred stock	(685)			(4)				(11)	(700)		(700)
Repurchases of common stock		(43,139)	—	(650)					(650)		(650)
Cash dividends declared:											
Common ($0.605 per share)								(826)	(826)		(826)
Preferred								(131)	(131)		(131)
Recognition of the fair value of share-based compensation				129					129		129
Other share-based compensation activity		6,750	(1)	(37)				—	(38)		(38)
Other				—	(1,236)	17		(3)	14	(3)	11
Balance, end of year	$ 2,167	1,444,040	$ 14	$ 15,222	(6,298)	$ (79)	$ (229)	$ 2,202	$ 19,297	$ 21	$ 19,318

(dollar amounts in millions, except per share data, share amounts in thousands)	Preferred Stock	Common Stock		Capital	Treasury Stock			Retained		Non-controlling	Total
	Amount	Shares	Amount	Surplus	Shares	Amount	AOCI	Earnings	Total	Interest	Equity
Year Ended December 31, 2020											
Balance, beginning of year	$ 1,203	1,024,541	$ 10	$ 8,806	(4,537)	$ (56)	$ (256)	$ 2,088	$ 11,795	$ —	$ 11,795
Cumulative-effect of change in accounting principle, net of tax								(306)	(306)		(306)
Net income								817	817	—	817
Other comprehensive income, net of tax							448		448		448
Net proceeds from issuance of Preferred Stock	988								988		988
Repurchases of common stock		(7,504)	—	(92)					(92)		(92)
Cash dividends declared:											
Common ($0.60 per share)								(621)	(621)		(621)
Preferred								(100)	(100)		(100)
Recognition of the fair value of share-based compensation				77					77		77
Other share-based compensation activity		5,372	—	(9)				—	(9)		(9)
Other		(151)	—	(1)	(525)	(3)		—	(4)		(4)
Balance, end of year	$ 2,191	1,022,258	$ 10	$ 8,781	(5,062)	$ (59)	$ 192	$ 1,878	$ 12,993	$ —	$ 12,993

See Notes to Consolidated Financial Statements

Huntington Bancshares Incorporated
Consolidated Statements of Cash Flows

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Operating activities			
Net income	$ 2,249	$ 1,297	$ 817
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Provision for credit losses	289	25	1,048
Depreciation and amortization	484	391	367
Share-based compensation expense	105	129	77
Deferred income tax expense (benefit)	319	(76)	(93)
Net change in:			
Trading account securities	27	16	37
Loans held for sale	675	(56)	(534)
Other assets	(1,156)	366	(1,077)
Other liabilities	1,024	27	683
Other, net	11	(57)	(2)
Net cash provided by operating activities	4,027	2,062	1,323
Investing activities			
Change in interest bearing deposits in banks	332	716	(81)
Net cash (paid) received from business acquisition	(223)	466	—
Proceeds from:			
Maturities and calls of available-for-sale securities	4,053	7,275	5,697
Maturities and calls of held-to-maturity securities	2,803	4,151	3,042
Maturities and calls of other securities	832	—	—
Sales of available-for-sale securities	—	5,892	392
Purchases of available-for-sale securities	(7,107)	(19,936)	(11,104)
Purchases of held-to-maturity securities	(3,229)	(4,777)	—
Purchases of other securities	(1,080)	(126)	(68)
Net proceeds from sales of portfolio loans and leases	995	517	1,113
Principal payments received under direct finance and sales-type leases	1,882	1,055	704
Net loan and lease activity, excluding sales and purchases	(10,169)	3,303	(6,844)
Purchases of premises and equipment	(214)	(247)	(119)
Purchases of loans and leases	(610)	(1,197)	(1,506)
Net accrued income and other receivables activity	(66)	(653)	—
Net cash paid for branch disposition	—	(618)	—
Other, net	192	217	135
Net cash used in investing activities	(11,609)	(3,962)	(8,639)
Financing activities			
Increase in deposits	4,651	6,501	16,601
Increase (decrease) in short-term borrowings	2,161	(1,245)	(2,373)
Net proceeds from issuance of long-term debt	11,004	775	1,386
Maturity/redemption of long-term debt	(8,017)	(3,404)	(3,052)
Dividends paid on preferred stock	(113)	(138)	(84)
Dividends paid on common stock	(897)	(750)	(614)
Repurchases of common stock	—	(650)	(92)
Payment to repurchase preferred stock	—	(700)	—
Net proceeds from issuance of preferred stock	—	486	988
Other, net	(25)	(48)	(19)
Net cash provided by financing activities	8,764	827	12,741
Increase (decrease) in cash and cash equivalents	1,182	(1,073)	5,425
Cash and cash equivalents at beginning of period	5,522	6,595	1,170
Cash and cash equivalents at end of period	$ 6,704	$ 5,522	$ 6,595

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Supplemental disclosures:			
Interest paid	$ 627	$ 185	$ 453
Income taxes (refunded) paid	(109)	269	81
Non-cash activities			
Loans transferred to held-for-sale from portfolio	748	872	1,139
Loans transferred to portfolio from held-for-sale	126	102	53
Transfer of securities from available-for-sale to held-to-maturity	4,225	3,007	2,842
Business Combination (1)			

(1) In the year ended 2021, the TCF acquisition included fair value of tangible assets acquired of $46.3 billion, goodwill and other intangible assets of $3.5 billion, liabilities assumed $42.6 billion, preferred stock of $185 million, and common stock of $7.0 billion.

See Notes to Consolidated Financial Statements

Huntington Bancshares Incorporated
Notes to Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations — Huntington Bancshares Incorporated (Huntington or the Company) is a multi-state diversified regional bank holding company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Through its subsidiaries, including its bank subsidiary, The Huntington National Bank (the Bank), Huntington is engaged in providing full-service commercial and consumer banking services, mortgage banking services, automobile financing, recreational vehicle and marine financing, investment banking, capital markets, and advisory services, equipment financing, distribution finance (formerly referred to as inventory finance), investment management, trust services, brokerage services, insurance products and services, and other financial products and services. Huntington's full-service branches and private client group offices are primarily located in Ohio, Colorado, Illinois, Indiana, Kentucky, Michigan, Minnesota, Pennsylvania, West Virginia, and Wisconsin. Select financial services and other activities are also conducted in other states.

Basis of Presentation — The Consolidated Financial Statements include the accounts of Huntington and its majority-owned subsidiaries and are presented in accordance with GAAP. All intercompany transactions and balances are eliminated in consolidation. Entities in which Huntington holds a controlling financial interest are consolidated. For a voting interest entity, a controlling financial interest is generally where Huntington holds, directly or indirectly, more than 50 percent of the outstanding voting shares. For a VIE, a controlling financial interest is where Huntington has the power to direct the activities of an entity that most significantly impact the entity's economic performance and has an obligation to absorb losses or the right to receive benefits from the VIE. For consolidated entities where Huntington holds less than a 100% interest, Huntington recognizes non-controlling interest (included in shareholders' equity) for the equity held by minority shareholders and non-controlling profit or loss (included in income attributable to non-controlling interest) for the portion of the entity's earnings attributable to minority interests. Investments in companies that are not consolidated are accounted for using the equity method when Huntington has the ability to exert significant influence. Investments in non-marketable equity securities for which Huntington does not have the ability to exert significant influence are generally accounted for using the cost method adjusted for impairment and other changes in observable prices. Investments in private investment partnerships that are accounted for under the equity method or the cost method are included in other assets and Huntington's earnings in equity investments are included in other noninterest income. Investments accounted for under the cost and equity methods are periodically evaluated for impairment.

Effective in the 2022, a new classification within the Consolidated Balance Sheet of accrued income and other receivables was established comprised of activity that was previously classified as loans and leases (other consumer loans and leases) and other assets. All prior period amounts and all related metrics have been reclassified to conform to the current presentation.

Use of Estimates —The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that significantly affect amounts reported in the Consolidated Financial Statements. Huntington utilizes processes that involve the use of significant estimates and the judgments of management in determining the amount of its allowance for credit losses, income taxes, as well as fair value measurements of investment securities, derivative instruments, goodwill, other intangible assets, pension assets and liabilities, short-term borrowings, mortgage servicing rights, and loans held for sale. As with any estimate, actual results could differ from those estimates.

Cash and cash equivalents—For statements of cash flows purposes, cash and cash equivalents are defined as the sum of cash and due from banks and interest-bearing deposits at Federal Reserve Bank.

Securities — Securities purchased with the intention of recognizing short-term profits or which are actively bought and sold are classified as trading account securities and reported at fair value. The unrealized gains or losses on trading account securities are recorded in other noninterest income. Debt securities purchased that Huntington has the positive intent and ability to hold to their maturity are classified as held-to-maturity securities. Held-to-maturity securities are recorded at amortized cost. All other debt securities are classified as available-for-sale securities. Available-for-sale securities are recognized and measured at fair value with any change in the fair value recognized in other comprehensive income. All equity securities are classified as other securities.

Securities transactions are recognized on the trade date (the date the order to buy or sell is executed). The carrying value plus any related accumulated OCI balance of sold securities is used to compute realized gains and losses. Interest on securities, including amortization of premiums and accretion of discounts using the effective interest method over the period to maturity, is included in interest income.

Non-marketable equity securities include stock held for membership and regulatory purposes, such as FHLB stock and Federal Reserve Bank stock. These securities are accounted for at cost, evaluated for impairment, and are included in other securities. Other securities also include mutual funds and other marketable equity securities. These securities are carried at fair value, with changes in fair value recognized in other noninterest income.

Loans and Leases — Loans for which Huntington has the intent and ability to hold for the foreseeable future, or until maturity or payoff, except loans for which the fair value option has been elected, are carried at the principal amount outstanding, net of charge-offs, unamortized deferred loan origination fees and costs, premiums and discounts, and unearned income. Direct financing leases are reported at the aggregate of lease payments receivable and estimated residual values, net of unearned and deferred income, and any initial direct costs incurred to originate these leases. Renewal options for leases are at the option of the lessee and are typically not included in the measurement of the lease receivable as they are not considered reasonably certain of exercise. Purchase options are typically at fair value, and as such those options are not considered in the measurement of lease receivables or in lease classification. Interest income is accrued as earned using the interest method. Huntington defers the fees it receives from the origination of loans and leases, as well as the direct costs of those activities. Huntington also acquires loans at premiums and/or discounts to their contractual values. Huntington amortizes loan discounts, premiums, and net loan origination fees and costs over the contractual lives of the related loans using the effective interest method.

Troubled debt restructurings are loans for which the original contractual terms have been modified to provide a concession 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. Modifications resulting in troubled debt restructurings may include changes to one or more terms of the loan, including, but not limited to, an interest rate concession, an extension of the repayment period, a reduction in payment amount, and partial forgiveness or deferment of principal or accrued interest.

Impairment of the residual values of direct financing leases is evaluated quarterly, with impairment arising if the expected fair value is less than the carrying amount. Huntington assesses net investments in leases (including residual values) for impairment and recognizes impairment losses in accordance with the impairment guidance for financial instruments. As such, net investments in leases may be reduced by an allowance for credit losses, with changes recognized as provision expense.

For leased equipment, the residual component of a direct financing lease represents the estimated fair value of the leased equipment at the end of the lease term. Huntington uses industry data, historical experience, and independent appraisals to establish these residual value estimates. Upon expiration of a lease, residual assets are remarketed, resulting in an extension of the lease by the lessee, a lease to a new customer, or purchase of the residual asset by the lessee or another party. Huntington also purchases insurance guaranteeing the value of certain residual assets.

Loans Held for Sale — Loans in which Huntington does not have the intent and ability to hold for the foreseeable future are classified as loans held for sale. Loans held for sale are carried at (a) the lower of cost or fair value less costs to sell, or (b) fair value where the fair value option is elected. The fair value option is generally elected for mortgage loans originated with the intent to sell.

Nonaccrual 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 the debt is not reaffirmed by the borrower, the loan is determined to be collateral dependent and placed on nonaccrual status, unless there is a co-borrower or the repayment is likely to occur based on objective evidence.

All classes within the commercial loan and lease portfolio are placed on nonaccrual status at 90-days past due. 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, RV and marine, and other consumer loans are generally fully charged-off at 120-days past due, and if not fully charged-off are placed on non-accrual. Residential mortgage loans are placed on nonaccrual status at 150-days past due, with the exception of residential mortgages guaranteed by government agencies which continue to accrue interest at the rate guaranteed by the government agency.

For all classes within all loan portfolios, when a loan is placed on nonaccrual status, any accrued interest is reversed and charged against interest income.

For all classes within all loan portfolios, cash receipts on NALs are applied against principal until the loan or lease has been collected in full, including the charged-off portion, 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.

Management monitors several factors to evaluate a borrower's financial condition and their ability to make principal and interest payments. 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 is returned to accrual status. For loans that are returned to accrual status, cash receipts are applied according to the contractual terms of the loan.

Collateral-dependent Loans — Certain commercial and consumer loans for which repayment is expected to be provided substantially through the operation or sale of the loan collateral are considered to be collateral-dependent.

Allowance for Credit Losses — Huntington performs an ACL evaluation on its loan and lease portfolio, held-to-maturity securities as well as on available-for-sale securities. The ACL on loan and lease portfolio and held-to-maturity securities are provided through an expected loss methodology referred to as CECL methodology. The ACL on AFS securities is provided when a credit loss is deemed to have occurred for securities which Huntington does not intend to sell or is not required to sell. The CECL methodology also applies to credit exposures on off-balance-sheet loan commitments, financial guarantees not accounted for as insurance, including standby letters of credit, and other similar instruments not recognized as derivative financial instruments.

On January 1, 2020, Huntington adopted ASC Topic 326 using the modified retrospective method for all financial assets in scope of the standard. Upon adoption, Huntington recorded an increase to the ACL of $393 million and a corresponding decrease to retained earnings of $306 million, net of tax.

Loans - The ACL is deducted from the amortized cost basis of a financial asset or a group of financial assets so that the balance sheet reflects the net amount Huntington expects to collect. Amortized cost is the principal balance outstanding, net of purchase premiums and discounts, fair value hedge accounting adjustments, and deferred fees and costs. Subsequent changes (favorable and unfavorable) in expected credit losses are recognized immediately in net income as a credit loss expense or a reversal of credit loss expense. Management estimates the allowance by utilizing models dependent upon loan risk characteristics and economic parameters. Commercial loan risk characteristics include but are not limited to risk ratings, industry type and maturity type. Consumer loan risk characteristics include but are not limited to FICO scores, LTV, and loan vintages. The economic parameters are developed using available information relating to past events, current conditions, and reasonable and supportable forecasts. Huntington's reasonable and supportable forecast period reverts to a historical norm based on inputs within approximately two to three years. The reversion period is dependent on the state of the economy at the beginning of the forecast. Historical credit experience provides the basis for the estimation of expected credit losses, with adjustments made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency levels and terms, as well as for changes in the micro- and macroeconomic environments. The contractual terms of financial assets are adjusted for expected prepayments and any extensions outside of Huntington's control.

The ACL is measured on a collective basis when similar risk characteristics exist. Loans that are determined to have unique risk characteristics are evaluated on an individual basis by management. If a loan is determined to be collateral dependent or meets the criteria to apply the collateral dependent practical expedient, expected credit losses are determined based on the fair value of the collateral at the reporting date, less costs to sell as appropriate.

Management believes the products within each of the entity's portfolio classes exhibit similar risk characteristics. Huntington has identified its portfolio classes as disclosed in Note 5 - "Loans and Leases."

In addition to the transactional reserve described above, Huntington also maintains a general reserve that consists of various risk-profile reserve components. The risk-profile components consider items unique to Huntington's structure, policies, processes, and portfolio composition, as well as qualitative measurements and assessments of the loan portfolios including, but not limited to, economic uncertainty, concentrations, portfolio composition, industry comparisons and internal review functions.

Huntington has elected to exclude accrued interest receivable from the measurement of its ACL given the well-defined non-accrual policies in place for all loan portfolios which results in timely reversal of outstanding interest through interest income.

The estimate for the off-balance sheet exposures, the AULC, is determined using the same procedures and methodologies as used for the loan and lease portfolio supplemented by the information related to future draws and related credit loss expectations. The AULC is recorded in other liabilities in the Consolidated Balance Sheets.

HTM Securities - The allowance for held-to-maturity debt securities is estimated using a CECL methodology. Any expected credit loss is provided through the allowance for credit loss on HTM securities and is deducted from the amortized cost basis of the security so that the balance sheet reflects the net amount Huntington expects to collect. Nearly all of Huntington's HTM debt securities are issued by U.S. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies, and have a long history of no credit losses. Accordingly, there is a zero credit loss expectation on these securities.

AFS Securities - Huntington evaluates its available-for-sale investment securities portfolio on a quarterly basis for indicators of impairment. Huntington assesses whether an impairment has occurred when the fair value of a debt security is less than the amortized cost at the balance sheet date. Management reviews the amount of unrealized loss, the credit rating history, market trends of similar security classes, time remaining to maturity, and the source of both interest and principal payments to identify securities which could potentially be impaired. For those debt securities that Huntington intends to sell or is more likely than not required to sell, before the recovery of their amortized cost basis, the difference between fair value and amortized cost is considered to be impaired and is recognized in provision for credit losses. For those debt securities that Huntington does not intend to sell or is not more likely than not required to sell, prior to expected recovery of amortized cost basis, the credit portion of the impairment is recognized through an allowance in provision for credit losses while the noncredit portion is recognized in OCI. In determining the credit portion, Huntington uses a discounted cash flow analysis, which includes evaluating the timing and amount of the expected cash flows. Non-credit-related impairment results from other factors, including increased liquidity spreads and higher interest rates.

Charge-off of Uncollectible Loans — 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, unless the repayment is likely to occur based on objective evidence.

Commercial loans and leases are generally either charged-off or written down to net realizable value at 90-days past due. Automobile, RV and marine, and other consumer loans are generally 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 at 150-days past due.

Collateral — Huntington pledges assets as collateral as required for various transactions including security repurchase agreements, public deposits, loan notes, derivative financial instruments, short-term borrowings, and long-term borrowings. Assets that have been pledged as collateral, including those that can be sold or repledged by the secured party, continue to be reported on the Consolidated Balance Sheets.

Huntington also accepts collateral, primarily as part of various transactions including derivative instruments and security resale agreements. Collateral received is excluded from the Consolidated Balance Sheets.

The market value of collateral accepted or pledged is regularly monitored and additional collateral is obtained or provided as necessary to ensure appropriate collateral coverage in these transactions.

Premises and Equipment — Premises and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed principally by the straight-line method over the estimated useful lives of the related assets. Buildings and building improvements are depreciated over an average of 30 to 40 years and 10 to 30 years, respectively. Land improvements and furniture and fixtures are depreciated over an average of 5 to 20 years, while equipment is depreciated over a range of 3 to 10 years. Leasehold improvements are amortized over the lesser of the asset's useful life or the lease term, including any renewal periods for which renewal is reasonably assured. Premises and equipment are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Mortgage Servicing Rights — Huntington recognizes the rights to service mortgage loans as an asset when servicing is contractually separated from the underlying mortgage loans by sale or securitization of the loans with servicing rights retained or when purchased. MSRs are included in servicing rights and other intangible assets in the Consolidated Balance Sheets. All MSR assets are recorded using the fair value method. Any change in the fair value of MSRs during the period is recorded in mortgage banking income.

Goodwill and Other Intangible Assets — Under the acquisition method of accounting, the net assets of entities acquired by Huntington are recorded at their estimated fair value at the date of acquisition. The excess cost of consideration paid over the fair value of net assets acquired is recorded as goodwill. Goodwill is evaluated for impairment on an annual basis at October 1st of each year or whenever events or changes in circumstances indicate the carrying value may not be recoverable. Other intangible assets with finite useful lives are amortized either on an accelerated or straight-line basis over their estimated useful lives. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Operating Leases (Lessee) — Huntington has elected not to include non-lease components in the measurement of right-of-use assets, and as such allocates the costs attributable to such components, where those costs are not separately identifiable, via per-square-foot costing analysis developed by the entity for owned and leased spaces. Huntington uses a portfolio approach to develop discount rates as its lease portfolio is comprised of substantially all branch space and office space used in the entity's operations. That rate, an input used in the measurement of the entity's right-of-use assets, leverages an incremental borrowing rate of appropriate tenor and collateralization.

Derivative Financial Instruments — A variety of derivative financial instruments, principally interest rate swaps, caps, floors, and swaption collars, are used in asset and liability management activities to protect against the risk of adverse price or interest rate movements. These instruments provide flexibility in adjusting Huntington's sensitivity to changes in interest rates without exposure to loss of principal and higher funding requirements.

Huntington also uses derivatives, principally loan sale commitments, in hedging its mortgage loan interest rate lock commitments and its mortgage loans held for sale. Mortgage loan sale commitments and the related interest rate lock commitments are carried at fair value on the Consolidated Balance Sheets with changes in fair value reflected in mortgage banking income. Huntington also uses certain derivative financial instruments to offset changes in value of its MSRs. These derivatives consist primarily of forward interest rate agreements and forward mortgage contracts. The derivative instruments used are not designated as qualifying hedges. Accordingly, such derivatives are recorded at fair value with changes in fair value reflected in mortgage banking income.

Derivative financial instruments are recorded in the Consolidated Balance Sheets as either an asset or a liability (in other assets and other liabilities, respectively) and measured at fair value. Accounting for changes in fair value of derivatives depends on whether the derivative is designated and qualifies in a hedging relationship. At inception a derivative contract can be designated as:

- a qualifying hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge);
- a qualifying hedge of the variability of cash flows to be received or paid related to a recognized asset, liability or forecasted transaction (cash flow hedge); or
- a qualifying hedge of Huntington's investment in non-U.S. dollar functional currency entities (net investment hedge).

Changes in the fair value of a derivative that has been designated and qualifies as a fair value hedge, along with the changes in the fair value of the hedged asset or liability that is attributable to the hedged risk, are recorded in current period earnings. Changes in the fair value of a derivative that has been designated and qualifies as a cash flow hedge are recorded in other comprehensive income, net of income taxes, and reclassified into earnings in the period during which the hedged item affects earnings. Changes in the fair value of derivatives that have been designated as net investment hedges are recorded in other comprehensive income, net of income taxes, and reclassified into earnings during the period the foreign entity is substantially liquidated or other elements of the currency translation adjustment are reclassified into earnings. Changes in the fair value of derivatives held for trading purposes or which do not qualify for hedge accounting are reported in current period earnings.

For those derivatives to which hedge accounting is applied, Huntington formally documents the hedging relationship and the risk management objective and strategy for undertaking the hedge. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and, unless the hedge meets all of the criteria to assume there is no ineffectiveness, the method that will be used to assess the effectiveness of the hedging instrument. Huntington typically assesses effectiveness using statistical regression at inception and on an ongoing basis.

Hedge accounting is discontinued prospectively when:

- the derivative is no longer effective or expected to be effective in offsetting changes in the fair value, cash flows or changes in net investment of a hedged item (including firm commitments or forecasted transactions);
- the derivative expires, is sold, terminated, or exercised;
- the forecasted transaction is no longer probable of occurring by the end of the originally specified time period;
- the hedged firm commitment no longer meets the definition of a firm commitment; or
- the designation of the derivative as a hedging instrument is removed.

When hedge accounting is discontinued and the derivative no longer qualifies as an effective fair value, cash flow or net investment hedge, the derivative continues to be carried on the balance sheet at fair value and changes in fair value will be recorded in current period earnings unless re-designated.

Like other financial instruments, derivatives contain an element of credit risk, which is the possibility that Huntington will incur a loss because the counterparty fails to meet its contractual obligations. Notional values of interest rate swaps and other off-balance sheet financial instruments significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculations of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to Huntington, including any accrued interest receivable due from counterparties. Potential credit losses are mitigated by derivatives through central clearing parties, careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements, and other contract provisions. Huntington considers the value of collateral held and collateral provided in determining the net carrying value of derivatives.

Huntington offsets the fair value amounts recognized for derivative instruments and the fair value for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments recognized at fair value executed with the same counterparty under a master netting arrangement.

Fair Value Measurements — The Company records or discloses certain of its assets and liabilities at fair value. 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. Fair value measurements are classified within one of three levels in a valuation hierarchy based upon the observability 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.

Bank Owned Life Insurance — Huntington's bank owned life insurance policies are recorded at their cash surrender value. Huntington recognizes tax-exempt income from the periodic increases in the cash surrender value of these policies and from death benefits. A portion of the cash surrender value is supported by holdings in separate accounts. Book value protection for the separate accounts is provided by the insurance carriers and a highly rated major bank.

Transfers of Financial Assets and Securitizations — Transfers of financial assets in which we have surrendered control over the transferred assets are accounted for as sales. In assessing whether control has been surrendered, Huntington considers whether the transferee would be a consolidated affiliate, the existence and extent of any continuing involvement in the transferred financial assets, and the impact of all arrangements or agreements made contemporaneously with, or in contemplation of, the transfer, even if they were not entered into at the time of transfer. Control is generally considered to have been surrendered when (i) the transferred assets have been legally isolated from Huntington or any of its consolidated affiliates, even in bankruptcy or other receivership, (ii) the transferee (or, if the transferee is an entity whose sole purpose is to engage in securitization or asset-backed financing that is constrained from pledging or exchanging the assets it receives, each third-party holder of its beneficial interests) has the right to pledge or exchange the assets (or beneficial interests) it received without any constraints that provide more than a trivial benefit to Huntington, and (iii) neither Huntington nor its consolidated affiliates and agents have (a) both the right and obligation under any agreement to repurchase or redeem the transferred assets before their maturity, (b) the unilateral ability to cause the holder to return specific financial assets that also provides Huntington with a more-than-trivial benefit (other than through a cleanup call) or (c) an agreement that permits the transferee to require Huntington to repurchase the transferred assets at a price so favorable that it is probable that it will require Huntington to repurchase them.

If the sale criteria are met, the transferred financial assets are removed from the balance sheet and a gain or loss on sale is recognized. If the sale criteria are not met, the transfer is recorded as a secured borrowing in which the assets remain on the balance sheet and the proceeds from the transaction are recognized as a liability. For the majority of financial asset transfers, it is clear whether or not Huntington has surrendered control. For other transfers, such as in the case of complex transactions or where Huntington have continuing involvement, we generally obtain a legal opinion as to whether the transfer results in a true sale by law.

Gains and losses on the loans and leases sold and servicing rights associated with loan and lease sales are determined when the related loans or leases are sold to either a securitization trust or third-party. For loan or lease sales with servicing retained, a servicing asset is recorded at fair value for the right to service the loans sold.

Pension and Other Postretirement Benefits — Huntington recognizes the funded status of the postretirement benefit plans on the Consolidated Balance Sheets. Net postretirement benefit cost charged to current earnings related to these plans is predominantly based on various actuarial assumptions regarding expected future experience.

Certain employees are participants in various defined contribution and other non-qualified supplemental retirement plans. Contributions to defined contribution plans are charged to current earnings.

In addition, Huntington maintains a 401(k) plan covering substantially all employees. Employer contributions to the plan are charged to current earnings.

Noninterest Income — Huntington recognizes revenue when the performance obligations related to the transfer of goods or services under the terms of a contract are satisfied. Some obligations are satisfied at a point in time while others are satisfied over a period of time. Revenue is recognized as the amount of consideration to which Huntington expects to be entitled to in exchange for transferring goods or services to a customer. When consideration includes a variable component, the amount of consideration attributable to variability is included in the transaction price only to the extent it is probable that significant revenue recognized will not be reversed when uncertainty associated with the variable consideration is subsequently resolved. Generally, the variability relating to the consideration is explicitly stated in the contracts, but may also arise from Huntington’s customer business practices, for example, waiving certain fees related to customer’s deposit accounts such as NSF fees. Huntington’s contracts generally do not contain terms that require significant judgement to determine the variability impacting the transaction price.

Revenue is segregated based on the nature of product and services offered as part of contractual arrangements. Revenue from contracts with customers is broadly segregated as follows:

- *Service charges on deposit accounts* include fees and other charges Huntington receives to provide various services, including, but not limited to, maintaining an account with a customer, providing overdraft services, wire transfer, transferring funds, and accepting and executing stop-payment orders. The consideration includes both fixed (e.g., account maintenance fee) and transaction fees (e.g., wire-transfer fee). The fixed fee is recognized over a period of time while the transaction fee is recognized when a specific service (e.g., execution of wire-transfer) is rendered to the customer. Huntington may, from time to time, waive certain fees (e.g., NSF fee) for customers but generally does not reduce the transaction price to reflect variability for future reversals due to the insignificance of the amounts. Waiver of fees reduces the revenue in the period the waiver is granted to the customer.

- *Card and payment processing income* includes interchange fees earned on debit cards and credit cards. All other fees (e.g., annual fees), and interest income are recognized in accordance with ASC 310. Huntington recognizes interchange fees for services performed related to authorization and settlement of a cardholder's transaction with a merchant. Revenue is recognized when a cardholder's transaction is approved and settled.

  Certain volume or transaction based interchange expenses (net of rebates) paid to the payment network reduce the interchange revenue and are presented net on the income statement. Similarly, rewards payable under a reward program to cardholders are recognized as a reduction of the transaction price and are presented net against the interchange revenue.

- *Capital markets fees* includes advisory fees, interest rate derivative fees, underwriting fees, foreign exchange fees and loan syndication fees. We recognize these fees when the related transaction closes.
- *Trust and investment management services* includes fee income generated from personal, corporate, and institutional customers. Huntington also provides investment management services, cash management services and tax reporting to customers. Services are rendered over a period of time, over which revenue is recognized. Huntington may also recognize revenue from referring a customer to outside third-parties including mutual fund companies that pay distribution (12b-1) fees and other expenses. 12b-1 fees are recognized in the period earned, this is generally upon initial placement into the fund and at specified future dates as long as the customer remains invested in the fund.
- *Insurance income* includes agency commissions that are recognized when Huntington sells insurance policies to customers. Huntington is also entitled to renewal commissions and, in some cases, profit sharing which are recognized in subsequent periods. The initial commission is recognized when the insurance policy is sold to a customer. Renewal commission is variable consideration and is recognized in subsequent periods when the uncertainty around variable consideration is subsequently resolved (i.e., when customer renews the policy). Profit sharing is also variable consideration that is not recognized until the variability surrounding realization of revenue is resolved (i.e., Huntington has reached a minimum volume of sales).
- *Other noninterest income* includes a variety of other revenue streams including miscellaneous consumer fees, marketing allowance revenue, and leasing revenue (including income from operating lease payments, other lease revenue, gain and losses on sales-type leases and sales of leased equipment). Revenue is recognized when, or as, the performance obligation is satisfied. Inherent variability in the transaction price is not recognized until the uncertainty affecting the variability is resolved.

Control is transferred to a customer either at a point in time or over time. A performance obligation is deemed satisfied when the control over goods or services is transferred to the customer. To determine when control is transferred at a point in time, Huntington considers indicators, including, but not limited to, the right to payment for the asset, transfer of significant risk and rewards of ownership of the asset and acceptance of the asset by the customer.

Revenue is recorded in the business segment responsible for the related product or service. Fee sharing arrangements exist to allocate portions of such revenue to other business segments involved in selling to, or providing service to, customers. Business segment results are determined based upon management's reporting system, which assigns balance sheet and income statement items to each of the business segments. The process is designed around Huntington's organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions.

Income Taxes — Income taxes are accounted for under the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future book and tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are determined using enacted tax rates expected to apply in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income at the time of enactment of such change in tax rates.

Any interest or penalties due for payment of income taxes are included in the provision for income taxes. To the extent we do not consider it more likely than not that a deferred tax asset will be recovered, a valuation allowance is recorded. All positive and negative evidence is reviewed when determining how much of a valuation allowance is recognized on a quarterly basis. In determining the requirements for a valuation allowance, sources of possible taxable income are evaluated including future reversals of existing taxable temporary differences, future taxable income exclusive of reversing temporary differences and carryforwards, taxable income in appropriate carryback years, and tax-planning strategies. Huntington applies a more likely than not recognition threshold for all tax uncertainties.

Share-Based Compensation — Huntington uses the fair value based method of accounting for awards of HBAN stock granted to employees under various share-based compensation plans. Share-based compensation costs are recognized prospectively for all new awards granted under these plans. Compensation expense relating to stock options is calculated using a methodology that is based on the underlying assumptions of the Black-Scholes option pricing model and is charged to expense over the requisite service period (e.g., vesting period) taking into account retirement eligibility . Compensation expense relating to restricted stock awards is based upon the fair value of the awards on the date of grant and is charged to earnings over the requisite service period (e.g., vesting period) taking into account the retirement eligibility of the award.

Stock Repurchases — Acquisitions of Huntington stock are recorded at cost.

2. ACCOUNTING STANDARDS UPDATE

Accounting standards adopted in the current period

Standard	Summary of guidance	Effects on financial Statements
ASU 2021-08-Business Combinations (Topic 805) Issued October 2021	• The amendments in this update require that an acquirer apply topic 606 to the recognition and measurement of revenue contract assets and liabilities acquired in a business combination.	• Management adopted the guidance during the second quarter 2022. • The ASU has been applied to all business combinations occurring during 2022 and will be applied prospectively to all future business combinations. • The adoption did not result in a material impact on Huntington's Consolidated Financial Statements.
ASU 2022-01-Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method Issued March 2022	• The amendments in this update expand the current last-of-layer method to allow for multiple hedge layers in a single closed portfolio. To reflect the expansion, the last-of-layer method has been renamed the portfolio layer method. The standard also expands the scope of the portfolio layer method to nonprepayable financial assets.	• Management early adopted the guidance during the second quarter of 2022 using the modified retrospective basis. There was no impact to Huntington's Consolidated Financial Statements as a result of the adoption. Amendments related to disclosures were applied prospectively from the initial adoption date. • Huntington did not elect to reclassify debt securities classified in the held-to-maturity category at the date of adoption to the available-for-sale category.

Accounting standards yet to be adopted

Standard	Summary of guidance	Effects on financial statements
ASU 2022-02- Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures Issued March 2022	• The amendments in this update eliminate TDR accounting for entities that have adopted Update 2016-13, while enhancing disclosure requirements for certain loan modifications when a borrower is experiencing financial difficulty. The ASU also requires disclosure of current period gross write-offs by year of origination for financing receivables and net investment in leases.	• Effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. • Adoption of the ASU will be applied prospectively, except for the portion of the standard related to the recognition and measurement of TDRs an entity may elect to use a modified retrospective transition method with a cumulative effect adjustment to retained earnings at the beginning of the period of adoption. • Huntington adopted the standard effective January 1, 2023, using the modified retrospective method the impact of the adoption on the Consolidated Financial Statements was not material.

3. BUSINESS COMBINATIONS

Capstone Partners

On June 15, 2022, Huntington acquired Capstone Partners, a leading middle market investment bank and advisory firm dedicated to servicing middle market companies throughout their full business lifecycle. The acquisition resulted in $192 million of goodwill, allocated to the Commercial segment, which approximates total consideration. The goodwill recognized is deductible for tax purposes. As of December 31, 2022, management completed its review of information relating to events or circumstances existing at the acquisition date.

TCF Financial Corporation

On June 9, 2021, Huntington closed the acquisition of TCF Financial Corporation in an all-stock transaction valued at $7.2 billion. TCF was a financial holding company headquartered in Detroit, Michigan with operations across the Midwest. The acquisition brought increased scale and market density, as well as added new markets and capabilities.

Under the terms of the agreement, TCF shareholders received 3.0028 shares of Huntington common stock for each share of TCF common stock. Holders of TCF common stock also received cash in lieu of fractional shares. In addition, each outstanding share of 5.70% Series C Non-Cumulative Perpetual Preferred Stock of TCF was converted into one share of a newly created series of preferred stock of Huntington, Series I Preferred Stock.

The acquisition of TCF constituted a business combination. We recorded the estimate of fair value based on initial valuations available at June 9, 2021, the acquisition date. The determination of estimated fair value required management to make assumptions related to discount rates, expected future cash flows, market conditions and other future events that are highly subjective in nature. As of December 31, 2021, management completed its review of information relating to events or circumstances existing at the acquisition date.

The following table provides the allocation of consideration paid for the fair value of assets acquired and liabilities and equity assumed from TCF as of June 9, 2021.

	TCF	
(dollar amounts in millions)	UPB	Fair Value
Assets acquired:		
Cash and due from banks		$ 466
Interest-bearing deposits at Federal Reserve Bank		719
Interest-bearing deposits in banks		312
Available-for-sale securities		8,900
Other securities		358
Loans held for sale		363
Loans and leases:		
Commercial:		
Commercial and industrial	$ 12,726	12,441
Commercial real estate	8,125	7,869
Lease financing	2,929	2,912
Total commercial	23,780	23,222
Consumer:		
Residential mortgage	6,267	6,273
Automobile	322	317
Home equity	2,644	2,607
RV and marine	581	570
Other consumer	179	167
Total consumer	9,993	9,934
Total loans and leases	$ 33,773	33,156
Bank owned life insurance		181
Premises and equipment		360
Core deposit intangible		92
Other intangible assets		6
Servicing rights		59
Servicing rights and other intangible assets		157
Other assets		1,441
Total assets acquired		46,413
Liabilities and equity assumed:		
Deposits		38,663
Short-term borrowings		1,306
Long-term debt		1,516
Other liabilities		1,082
Total liabilities		42,567
Non-controlling interest		22
Net assets acquired		$ 3,824
Consideration:		
Fair value of common stock issued		$ 6,998
Fair value of preferred stock exchange		185
Total consideration		7,183
Goodwill		$ 3,359

In connection with the acquisition, the Company recorded approximately $3.4 billion of goodwill. The goodwill was the result of expected synergies, operational efficiencies, and other factors. Information regarding the allocation of goodwill recorded as a result of the acquisition to the Company's reportable segments, as well as the carrying amounts and amortization of core deposit and other intangible assets, are provided in Note 8 "Goodwill and Other Intangible Assets" of the Notes to Consolidated Financial Statements.

The following is a description of the methods used to determine the fair values of significant assets and liabilities presented above.

Cash and due from banks and interest-bearing deposits in banks: The carrying amount of these assets is a reasonable estimate of fair value based on the short-term nature of these assets.

Securities: Fair values for securities are based on quoted market prices, where available. If quoted market prices are not available, fair value estimates are based on observable inputs including quoted market prices for similar instruments, quoted market prices that are not in an active market or other inputs that are observable in the market. In the absence of observable inputs, fair value is estimated based on pricing models and/or discounted cash flow methodologies.

Loans and leases: Fair values for loans and leases are based on a discounted cash flow methodology that considered factors including the type of loan and lease and related collateral, classification status, fixed or variable interest rate, term, amortization status and current discount rates. Loans and leases are grouped together according to similar characteristics when applying various valuation techniques. The discount rates used for loans and leases are based on current market rates for new originations of comparable loans and leases and include adjustments for liquidity. The discount rate does not include a factor for credit losses as that has been included as a reduction to the estimated cash flows.

CDI: This intangible asset represents the low cost of funding acquired core deposits provide relative to the Company's marginal cost of funds. The fair value was estimated based on a discounted cash flow methodology that gave appropriate consideration to expected customer attrition rates, net maintenance cost of the deposit base, alternative cost of funds, and the interest costs associated with customer deposits. The CDI is being amortized over 10 years based upon the period over which estimated economic benefits are estimated to be received.

Deposits: The fair values used for the demand and savings deposits by definition equal the amount payable on demand at the acquisition date. The fair values for time deposits are estimated using a discounted cash flow calculation that applies interest rates currently being offered to the contractual interest rates on such time deposits.

Debt: The fair values of long-term debt instruments are estimated based on quoted market prices for the instrument if available, or for similar instruments if not available, or by using discounted cash flow analyses, based on current incremental borrowing rates for similar types of instruments.

Premises and equipment: The fair values of premises are based on a market approach, with Huntington obtaining third-party appraisals and broker opinions of value for land, office, and branch space.

Servicing rights: Servicing rights are valued using an option-adjusted spread valuation model to project cash flows over multiple interest rate scenarios which are then discounted at risk-adjusted rates. The model considers portfolio characteristics, prepayment rates, delinquency rates, contractually specified servicing fees, late charges, other ancillary revenue, costs to service and other economic factors.

PCD loans and leases

Purchased loans and leases that reflect a more-than-insignificant deterioration of credit from origination are considered PCD. For PCD loans and leases, the initial estimate of expected credit losses is recognized in the ALLL on the date of acquisition using the same methodology as other loans and leases held-for-investment. The following table provides a summary of loans and leases purchased as part of the TCF acquisition with credit deterioration at acquisition:

(dollar amounts in millions)	Commercial	Consumer	Total
Par value (UPB)	$ 7,931	$ 1,333	$ 9,264
ALLL at acquisition	(374)	(58)	(432)
Non-credit (discount)	(219)	(68)	(287)
Fair value	$ 7,338	$ 1,207	$ 8,545

Huntington's operating results for the years ended December 31, 2022 and December 31, 2021 include the operating results of the acquired assets and assumed liabilities of TCF Financial Corporation subsequent to the acquisition on June 9, 2021. Due to the conversions of TCF systems occurring throughout 2021, as well as other streamlining and integration of the operating activities into those of the Company, historical reporting for the former TCF operations is impracticable and thus disclosures of the revenue from the assets acquired and income before income taxes is impracticable for the period subsequent to acquisition.

The following table presents unaudited pro forma information as if the acquisition of TCF had occurred on January 1, 2020 under the “Unaudited Pro Forma” columns. The pro forma adjustments give effect to any change in interest income due to the accretion of the discount (premium) associated with the fair value adjustments to acquired loans and leases, any change in interest expense due to estimated premium amortization/discount accretion associated with the fair value adjustment to acquired interest-bearing deposits and long-term debt and the amortization of the CDI that would have resulted had the deposits been acquired as of January 1, 2020. Pro forma results include Huntington acquisition-related expenses which primarily included, but were not limited to, severance costs, professional services, data processing fees, marketing and advertising expenses totaling $701 million for the year ended December 31, 2021. Pro forma results also include adjustments for the elimination of TCF’s accretion of the discount (premium) associated with the fair value adjustments to acquired loans and leases, deposits and long-term debt, elimination of TCF's intangible amortization expense, and related income tax effects. The pro forma information does not necessarily reflect the results of operations that would have occurred had Huntington acquired TCF on January 1, 2020. Furthermore, cost savings and other business synergies related to the acquisition are not reflected in the pro forma amounts.

	Unaudited Pro Forma for Year Ended December 31,	
(dollar amounts in millions)	2021	2020
Net interest income	$ 4,713	$ 4,774
Noninterest income	2,112	2,127
Net income attributable to Huntington Bancshares Inc	1,624	834

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4. INVESTMENT SECURITIES AND OTHER SECURITIES

Debt securities purchased in which Huntington has the intent and ability to hold to their maturity are classified as held-to-maturity securities. All other debt and equity securities are classified as either available-for-sale or other securities. The following tables provide amortized cost, fair value, and gross unrealized gains and losses by investment category.

		Unrealized		
(dollar amounts in millions)	Amortized Cost (1)(2)	Gross Gains	Gross Losses	Fair Value
At December 31, 2022				
Available-for-sale securities:				
U.S. Treasury	$ 103	$ —	$ —	$ 103
Federal agencies:				
Residential CMO	3,336	—	(422)	2,914
Residential MBS	14,349	4	(2,090)	12,263
Commercial MBS	2,565	—	(612)	1,953
Other agencies	190	1	(9)	182
Total U.S. Treasury, federal agency, and other agency securities	20,543	5	(3,133)	17,415
Municipal securities	3,527	1	(238)	3,290
Private-label CMO	146	—	(18)	128
Asset-backed securities	416	—	(44)	372
Corporate debt	2,467	132	(385)	2,214
Other securities/Sovereign debt	4	—	—	4
Total available-for-sale securities	$ 27,103	$ 138	$ (3,818)	$ 23,423
Held-to-maturity securities:				
Federal agencies:				
Residential CMO	$ 4,970	$ 4	$ (714)	$ 4,260
Residential MBS	10,295	—	(1,375)	8,920
Commercial MBS	1,652	—	(204)	1,448
Other agencies	133	—	(9)	124
Total federal agency and other agency securities	17,050	4	(2,302)	14,752
Municipal securities	2	—	—	2
Total held-to-maturity securities	$ 17,052	$ 4	$ (2,302)	$ 14,754
Other securities, at cost:				
Non-marketable equity securities:				
Federal Home Loan Bank stock	$ 312	$ —	$ —	$ 312
Federal Reserve Bank stock	500	—	—	500
Equity securities	10	—	—	10
Other securities, at fair value				
Mutual funds	31	—	—	31
Equity securities	1	—	—	1
Total other securities	$ 854	$ —	$ —	$ 854

(1) Amortized cost amounts exclude accrued interest receivable, which is recorded within accrued income and other receivables on the Consolidated Balance Sheet. At December 31, 2022, accrued interest receivable on available-for-sale securities and held-to-maturity securities totaled $64 million and $39 million, respectively.

(2) Excluded from the amortized cost are portfolio level basis adjustments for securities designated in fair value hedges under the portfolio layer method. The basis adjustments totaled $849 million and represent a reduction to the amortized cost of the securities being hedged. The securities being hedged under the portfolio layer method are primarily Residential CMO and Residential MBS securities.

(dollar amounts in millions)	Amortized Cost (1)	Unrealized Gross Gains	Unrealized Gross Losses	Fair Value
At December 31, 2021				
Available-for-sale securities:				
U.S. Treasury	$ 5	$ —	$ —	$ 5
Federal agencies:				
Residential CMO	4,649	40	(40)	4,649
Residential MBS	15,533	135	(160)	15,508
Commercial MBS	1,896	7	(38)	1,865
Other agencies	248	1	(1)	248
Total U.S. Treasury, federal agency, and other agency securities	22,331	183	(239)	22,275
Municipal securities	3,497	62	(33)	3,526
Private-label CMO	106	1	(1)	106
Asset-backed securities	385	1	(4)	382
Corporate debt	2,183	22	(38)	2,167
Other securities/Sovereign debt	4	—	—	4
Total available-for-sale securities	$ 28,506	$ 269	$ (315)	$ 28,460
Held-to-maturity securities:				
Federal agencies:				
Residential CMO	$ 2,602	$ 35	$ (20)	$ 2,617
Residential MBS	7,475	41	(59)	7,457
Commercial MBS	2,175	45	(5)	2,215
Other agencies	193	5	—	198
Total federal agency and other agency securities	12,445	126	(84)	12,487
Municipal securities	2	—	—	2
Total held-to-maturity securities	$ 12,447	$ 126	$ (84)	$ 12,489
Other securities, at cost:				
Non-marketable equity securities:				
Federal Home Loan Bank stock	$ 52	$ —	$ —	$ 52
Federal Reserve Bank stock	512	—	—	512
Equity securities	12	—	—	12
Other securities, at fair value				
Mutual funds	65	—	—	65
Equity securities	6	1	—	7
Total other securities	$ 647	$ 1	$ —	$ 648

(1) Amortized cost amounts exclude accrued interest receivable, which is recorded within accrued income and other receivables on the Consolidated Balance Sheet. At December 31, 2021, accrued interest receivable on available-for-sale securities and held-to-maturity securities totaled $62 million and $26 million, respectively.

The following table provides the amortized cost and fair value of securities by contractual maturity. Expected maturities may differ from contractual maturities as issuers may have the right to call or prepay obligations with or without incurring penalties.

	At December 31,			
	2022		2021	
(dollar amounts in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available-for-sale securities:				
Under 1 year	$ 518	$ 511	$ 377	$ 374
After 1 year through 5 years	2,182	2,033	1,888	1,880
After 5 years through 10 years	3,106	2,814	3,166	3,180
After 10 years	21,297	18,065	23,075	23,026
Total available-for-sale securities	$ 27,103	$ 23,423	$ 28,506	$ 28,460
Held-to-maturity securities:				
Under 1 year	$ —	$ —	$ 2	$ 2
After 1 year through 5 years	72	68	162	164
After 5 years through 10 years	71	66	44	45
After 10 years	16,909	14,620	12,239	12,278
Total held-to-maturity securities	$ 17,052	$ 14,754	$ 12,447	$ 12,489

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.

	Less than 12 Months		Over 12 Months		Total	
(dollar amounts in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
At December 31, 2022						
Available-for-sale securities:						
Federal agencies:						
Residential CMO	$ 2,096	$ (224)	$ 818	$ (198)	$ 2,914	$ (422)
Residential MBS	2,455	(286)	9,490	(1,804)	11,945	(2,090)
Commercial MBS	1,090	(249)	863	(363)	1,953	(612)
Other agencies	40	(1)	56	(8)	96	(9)
Total federal agency and other agency securities	5,681	(760)	11,227	(2,373)	16,908	(3,133)
Municipal securities	2,298	(174)	807	(64)	3,105	(238)
Private-label CMO	64	(13)	43	(5)	107	(18)
Asset-backed securities	174	(10)	199	(34)	373	(44)
Corporate debt	727	(105)	1,487	(280)	2,214	(385)
Total temporarily impaired available-for-sale securities	$ 8,944	$ (1,062)	$ 13,763	$ (2,756)	$ 22,707	$ (3,818)
Held-to-maturity securities:						
Federal agencies:						
Residential CMO	$ 1,702	$ (238)	$ 2,283	$ (476)	$ 3,985	$ (714)
Residential MBS	4,151	(462)	4,711	(913)	8,862	(1,375)
Commercial MBS	1,201	(154)	247	(50)	1,448	(204)
Other agencies	124	(9)	—	—	124	(9)
Total federal agency and other agency securities	7,178	(863)	7,241	(1,439)	14,419	(2,302)
Total temporarily impaired held-to-maturity securities	$ 7,178	$ (863)	$ 7,241	$ (1,439)	$ 14,419	$ (2,302)

(dollar amounts in millions)	Less than 12 Months Fair Value	Less than 12 Months Gross Unrealized Losses	Over 12 Months Fair Value	Over 12 Months Gross Unrealized Losses	Total Fair Value	Total Gross Unrealized Losses
At December 31, 2021						
Available-for-sale securities:						
Federal agencies:						
Residential CMO	$ 2,925	$ (40)	$ —	$ —	$ 2,925	$ (40)
Residential MBS	13,491	(160)	—	—	13,491	(160)
Commercial MBS	1,251	(38)	—	—	1,251	(38)
Other agencies	140	(1)	—	—	140	(1)
Total federal agency and other agency securities	17,807	(239)	—	—	17,807	(239)
Municipal securities	859	(22)	319	(11)	1,178	(33)
Private-label CMO	78	(1)	—	—	78	(1)
Asset-backed securities	237	(4)	—	—	237	(4)
Corporate debt	1,766	(38)	—	—	1,766	(38)
Total temporarily impaired available-for-sale securities	$ 20,747	$ (304)	$ 319	$ (11)	$ 21,066	$ (315)
Held-to-maturity securities:						
Federal agencies:						
Residential CMO	$ 1,453	$ (20)	$ —	$ —	$ 1,453	$ (20)
Residential MBS	5,837	(59)	—	—	5,837	(59)
Commercial MBS	318	(5)	—	—	318	(5)
Total federal agency and other agency securities	7,608	(84)	—	—	7,608	(84)
Total temporarily impaired held-to-maturity securities	$ 7,608	$ (84)	$ —	$ —	$ 7,608	$ (84)

During 2022 and 2021, Huntington transferred $4.2 billion and $3.0 billion, respectively, of securities from the AFS portfolio to the HTM portfolio. At the time of the transfers, AOCI included $58 million of net unrealized losses and $2 million of unrealized gains, respectively, attributed to these securities. The gain or loss will be amortized into interest income over the remaining life of the securities.

At December 31, 2022 and December 31, 2021, the carrying value of investment securities pledged to secure public and trust deposits, trading account liabilities, U.S. Treasury demand notes, security repurchase agreements and to support borrowing capacity totaled $26.9 billion and $21.7 billion, respectively. There were no securities of a single issuer, which were not governmental or government-sponsored, that exceeded 10% of shareholders' equity at either December 31, 2022 or December 31, 2021. At December 31, 2022, all HTM debt securities are considered AAA rated. In addition, there were no HTM debt securities considered past due at December 31, 2022.

Based on an evaluation of available information including security type, counterparty credit quality, past events, current conditions, and reasonable and supportable forecasts that are relevant to collectability of cash flows, as of December 31, 2022, Huntington has concluded that except for one municipal bond classified as an AFS debt security for which a charge-off of $4 million was recognized during 2022, it expects to receive all contractual cash flows from each security held in its AFS and HTM debt securities portfolio. There was no allowance related to securities as of December 31, 2022 or December 31, 2021.

5. LOANS AND LEASES

The following table provides a detailed listing of Huntington's loan and lease portfolio.

(dollar amounts in millions)	At December 31, 2022	2021
Commercial loan and lease portfolio:		
Commercial and industrial	$ 45,127	$ 41,688
Commercial real estate	16,634	14,961
Lease financing	5,252	5,000
Total commercial loan and lease portfolio	67,013	61,649
Consumer loan portfolio:		
Residential mortgage	22,226	19,256
Automobile	13,154	13,434
Home equity	10,375	10,550
RV and marine	5,376	5,058
Other consumer	1,379	1,320
Total consumer loan portfolio	52,510	49,618
Total loans and leases (1)(2)	119,523	111,267
Allowance for loan and lease losses	(2,121)	(2,030)
Net loans and leases	$ 117,402	$ 109,237

(1) Loans and leases are reported at principal amount outstanding including unamortized purchase premiums and discounts, unearned income, and net direct fees and costs associated with originating and acquiring loans and leases. The aggregate amount of these loan and lease adjustments was a net premium (discount) of $3 million and $(111) million at December 31, 2022 and 2021, respectively.

(2) The total amount of accrued interest recorded for these loans and leases at December 31, 2022, was $274 million and $186 million of commercial and consumer loan and lease portfolios, respectively, and at December 31, 2021, was $148 million and $150 million of commercial and consumer loan and lease portfolios, respectively. Accrued interest is presented in accrued income and other receivables within the Condensed Consolidated Balance Sheets.

Lease Financing

The following table presents net investments in lease financing receivables by category.

(dollar amounts in millions)	At December 31, 2022	2021
Lease payments receivable	$ 4,916	$ 4,620
Estimated residual value of leased assets	788	774
Gross investment in lease financing receivables	5,704	5,394
Deferred origination costs	46	36
Deferred fees, unearned income and other	(498)	(430)
Total lease financing receivables	$ 5,252	$ 5,000

The carrying value of residual values guaranteed was $466 million and $473 million as of December 31, 2022 and December 31, 2021, respectively. The future lease rental payments due from customers on sales-type and direct financing leases at December 31, 2022, totaled $4.9 billion and were due as follows: $834 million in 2023, $781 million in 2024, $749 million in 2025, $725 million in 2026, $730 million in 2027, and $1.1 billion thereafter. Interest income recognized for these types of leases was $249 million, $193 million, and $106 million for the years 2022, 2021, and 2020, respectively.

Nonaccrual and Past Due Loans and Leases

The following table presents NALs by class.

(dollar amounts in millions)	At December 31, 2022 Nonaccrual loans with no ACL	At December 31, 2022 Total nonaccrual loans	At December 31, 2021 Nonaccrual loans with no ACL	At December 31, 2021 Total nonaccrual loans
Commercial and industrial	$ 49	$ 288	$ 81	$ 370
Commercial real estate	63	92	80	104
Lease financing	—	18	3	48
Residential mortgage	—	90	—	111
Automobile	—	4	—	3
Home Equity	—	76	—	79
RV and marine	—	1	—	1
Total nonaccrual loans and leases	$ 112	$ 569	$ 164	$ 716

The total amount of interest recorded to interest income for NAL loans was $23 million, $10 million, and $6 million in 2022, 2021, and 2020, respectively.

The following tables present an aging analysis of loans and leases, by class.

	At December 31, 2022							
	Past Due (1)							
(dollar amounts in millions)	30-59 Days	60-89 Days	90 or more days	Total	Current	Loans Accounted for Under FVO	Total Loans and Leases	90 or more days past due and accruing
Commercial and industrial	$ 53	$ 19	$ 108	$ 180	$ 44,947	$ —	$ 45,127	$ 23 (2)
Commercial real estate	2	1	9	12	16,622	—	16,634	—
Lease financing	36	18	10	64	5,188	—	5,252	9 (3)
Residential mortgage	246	69	199	514	21,528	184	22,226	146 (4)
Automobile	88	20	11	119	13,035	—	13,154	9
Home equity	56	30	66	152	10,222	1	10,375	15
RV and marine	15	5	3	23	5,353	—	5,376	3
Other consumer	13	3	3	19	1,360	—	1,379	2
Total loans and leases	$ 509	$ 165	$ 409	$ 1,083	$ 118,255	$ 185	$ 119,523	$ 207

	At December 31, 2021							
	Past Due (1)							
(dollar amounts in millions)	30-59 Days	60-89 Days	90 or more days	Total	Current	Loans Accounted for Under FVO	Total Loans and Leases	90 or more days past due and accruing
Commercial and industrial	$ 72	$ 69	$ 107	$ 248	$ 41,440	$ —	$ 41,688	$ 13 (2)
Commercial real estate	9	1	9	19	14,942	—	14,961	—
Lease financing	39	13	17	69	4,931	—	5,000	11 (3)
Residential mortgage	151	49	233	433	18,653	170	19,256	157 (4)
Automobile	79	18	8	105	13,329	—	13,434	6
Home equity	48	35	76	159	10,390	1	10,550	17
RV and marine	14	4	3	21	5,037	—	5,058	3
Other consumer	13	2	3	18	1,302	—	1,320	3
Total loans and leases	$ 425	$ 191	$ 456	$ 1,072	$ 110,024	$ 171	$ 111,267	$ 210

(1) NALs are included in this aging analysis based on the loan's past due status.
(2) Amounts include PPP and other SBA loans and leases.
(3) Amounts include Huntington Technology Finance administrative lease delinquencies.
(4) Amounts include mortgage loans insured by U.S. government agencies.

Credit Quality Indicators

To facilitate the monitoring of credit quality for commercial loans, and for purposes of determining an appropriate ACL level for these loans, Huntington utilizes the following internally defined 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 represents 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 resulting from 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.

Loans are generally assigned a category of *“Pass”* rating upon initial approval and subsequently updated as appropriate based on the borrower’s financial performance.

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

For all classes within the consumer loan portfolios, borrower credit bureau scores are monitored as an indicator of credit quality. A credit bureau score is a credit score developed by FICO 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 tables present the amortized cost basis of loans and leases by vintage and credit quality indicator.

	At December 31, 2022								
	Term Loans Amortized Cost Basis by Origination Year						Revolver Total at Amortized Cost Basis	Revolver Total Converted to Term Loans	Total
(dollar amounts in millions)	2022	2021	2020	2019	2018	Prior			
Commercial and industrial									
Credit Quality Indicator (1):									
Pass	$ 16,480	$ 6,597	$ 3,279	$ 2,040	$ 1,068	$ 1,163	$ 12,077	$ 3	$ 42,707
OLEM	108	139	72	21	49	26	112	—	527
Substandard	364	181	189	212	141	255	550	—	1,892
Doubtful	—	—	—	—	—	1	—	—	1
Total Commercial and industrial	$ 16,952	$ 6,917	$ 3,540	$ 2,273	$ 1,258	$ 1,445	$ 12,739	$ 3	$ 45,127
Commercial real estate									
Credit Quality Indicator (1):									
Pass	$ 5,634	$ 3,260	$ 1,616	$ 1,728	$ 917	$ 1,044	$ 1,502	$ —	$ 15,701
OLEM	61	53	1	43	6	9	—	—	173
Substandard	235	118	105	75	85	140	2	—	760
Total Commercial real estate	$ 5,930	$ 3,431	$ 1,722	$ 1,846	$ 1,008	$ 1,193	$ 1,504	$ —	$ 16,634
Lease financing									
Credit Quality Indicator (1):									
Pass	$ 1,930	$ 1,291	$ 952	$ 447	$ 186	$ 143	$ —	$ —	$ 4,949
OLEM	32	9	15	18	6	3	—	—	83
Substandard	65	37	74	24	9	11	—	—	220
Total Lease financing	$ 2,027	$ 1,337	$ 1,041	$ 489	$ 201	$ 157	$ —	$ —	$ 5,252
Residential mortgage									
Credit Quality Indicator (2):									
750+	$ 3,666	$ 6,274	$ 3,566	$ 846	$ 469	$ 2,070	$ —	$ —	$ 16,891
650-749	1,394	1,172	617	211	137	777	—	—	4,308
<650	49	68	61	95	90	480	—	—	843
Total Residential mortgage	$ 5,109	$ 7,514	$ 4,244	$ 1,152	$ 696	$ 3,327	$ —	$ —	$ 22,042
Automobile									
Credit Quality Indicator (2):									
750+	$ 2,770	$ 2,212	$ 1,243	$ 777	$ 289	$ 98	$ —	$ —	$ 7,389
650-749	1,944	1,508	683	367	162	52	—	—	4,716
<650	307	352	173	115	67	35	—	—	1,049
Total Automobile	$ 5,021	$ 4,072	$ 2,099	$ 1,259	$ 518	$ 185	$ —	$ —	$ 13,154
Home Equity									
Credit Quality Indicator (2):									
750+	$ 463	$ 573	$ 611	$ 23	$ 20	$ 301	$ 4,787	$ 252	$ 7,030
650-749	131	88	68	9	8	122	2,129	261	2,816
<650	3	3	3	2	2	51	335	129	528
Total Home equity	$ 597	$ 664	$ 682	$ 34	$ 30	$ 474	$ 7,251	$ 642	$ 10,374
RV and marine									
Credit Quality Indicator (2):									
750+	$ 1,148	$ 1,031	$ 731	$ 361	$ 354	$ 438	$ —	$ —	$ 4,063
650-749	290	315	200	118	113	169	—	—	1,205
<650	5	18	15	17	17	36	—	—	108
Total RV and marine	$ 1,443	$ 1,364	$ 946	$ 496	$ 484	$ 643	$ —	$ —	$ 5,376
Other consumer									
Credit Quality Indicator (2):									
750+	$ 207	$ 64	$ 35	$ 34	$ 13	$ 52	$ 393	$ 3	$ 801
650-749	71	30	12	15	4	14	355	16	517
<650	3	3	2	3	1	2	33	14	61
Total Other consumer	$ 281	$ 97	$ 49	$ 52	$ 18	$ 68	$ 781	$ 33	$ 1,379

	At December 31, 2021								
	Term Loans Amortized Cost Basis by Origination Year								
(dollar amounts in millions)	2021	2020	2019	2018	2017	Prior	Revolver Total at Amortized Cost Basis	Revolver Total Converted to Term Loans	Total
Commercial and industrial									
Credit Quality Indicator (1):									
Pass	$ 15,435	$ 5,677	$ 3,682	$ 1,983	$ 1,080	$ 1,134	$ 9,945	$ 3	$ 38,939
OLEM	183	178	87	83	38	73	166	—	808
Substandard	336	203	344	206	125	167	552	—	1,933
Doubtful	5	1	1	1	—	—	—	—	8
Total Commercial and industrial	$ 15,959	$ 6,059	$ 4,114	$ 2,273	$ 1,243	$ 1,374	$ 10,663	$ 3	$ 41,688
Commercial real estate									
Credit Quality Indicator (1):									
Pass	$ 4,144	$ 2,367	$ 2,593	$ 1,456	$ 761	$ 1,124	$ 798	$ —	$ 13,243
OLEM	76	48	42	83	73	19	—	—	341
Substandard	224	362	448	115	151	46	30	—	1,376
Doubtful	—	—	—	1	—	—	—	—	1
Total Commercial real estate	$ 4,444	$ 2,777	$ 3,083	$ 1,655	$ 985	$ 1,189	$ 828	$ —	$ 14,961
Lease financing									
Credit Quality Indicator (1):									
Pass	$ 1,851	$ 1,441	$ 809	$ 417	$ 226	$ 131	$ —	$ —	$ 4,875
OLEM	8	32	12	4	2	—	—	—	58
Substandard	6	23	19	2	9	8	—	—	67
Total Lease financing	$ 1,865	$ 1,496	$ 840	$ 423	$ 237	$ 139	$ —	$ —	$ 5,000
Residential mortgage									
Credit Quality Indicator (2):									
750+	$ 5,532	$ 3,857	$ 978	$ 554	$ 687	$ 1,704	$ —	$ —	$ 13,312
650-749	1,862	993	409	269	254	1,028	—	—	4,815
<650	48	56	104	120	99	532	—	—	959
Total Residential mortgage	$ 7,442	$ 4,906	$ 1,491	$ 943	$ 1,040	$ 3,264	$ —	$ —	$ 19,086
Automobile									
Credit Quality Indicator (2):									
750+	$ 2,993	$ 1,927	$ 1,381	$ 666	$ 345	$ 129	$ —	$ —	$ 7,441
650-749	2,393	1,237	736	380	168	55	—	—	4,969
<650	380	234	178	128	70	34	—	—	1,024
Total Automobile	$ 5,766	$ 3,398	$ 2,295	$ 1,174	$ 583	$ 218	$ —	$ —	$ 13,434
Home equity									
Credit Quality Indicator (2):									
750+	$ 645	$ 701	$ 32	$ 31	$ 34	$ 387	$ 4,772	$ 272	$ 6,874
650-749	129	94	15	13	13	161	2,324	324	3,073
<650	3	2	2	1	1	67	361	165	602
Total Home equity	$ 777	$ 797	$ 49	$ 45	$ 48	$ 615	$ 7,457	$ 761	$ 10,549
RV and marine									
Credit Quality Indicator (2):									
750+	$ 1,257	$ 933	$ 470	$ 468	$ 268	$ 319	$ —	$ —	$ 3,715
650-749	393	273	171	157	106	150	—	—	1,250
<650	6	11	13	18	18	27	—	—	93
Total RV and marine	$ 1,656	$ 1,217	$ 654	$ 643	$ 392	$ 496	$ —	$ —	$ 5,058
Other consumer									
Credit Quality Indicator (2):									
750+	$ 211	$ 34	$ 50	$ 13	$ 10	$ 27	$ 326	$ 3	$ 674
650-749	88	52	50	23	17	41	295	24	590
<650	2	2	5	2	—	1	27	17	56
Total Other consumer	$ 301	$ 88	$ 105	$ 38	$ 27	$ 69	$ 648	$ 44	$ 1,320

(1) Consistent with the credit quality disclosures, indicators for the Commercial portfolio are based on internally defined categories of credit grades which are generally refreshed at least semi-annually.
(2) Consistent with the credit quality disclosures, indicators for the Consumer portfolio are based on updated customer credit scores refreshed at least quarterly.

TDR Loans

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 FRG.

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

Commercial loan TDRs – Our strategy involving commercial 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 a Huntington 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 the borrower 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.

Consumer 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, maturity date, and interest rate concessions. 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. The Company may make similar interest rate, term, and principal concessions for Automobile, Home Equity, RV and Marine, and Other Consumer loan TDRs.

TDR Impact on Credit Quality

Huntington’s ALLL is influenced by loan level characteristics that inform the assessed propensity to default. As such, the provision for credit losses is impacted primarily by changes in such loan level characteristics, such as 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.

The Company’s TDRs may include multiple concessions and the disclosure classifications are presented based on the primary concession provided to the borrower.

The following table presents, by class and modification type, the number of contracts, post-modification outstanding balance, and the financial effects of the modification.

		New Troubled Debt Restructurings (1)				
		Post-modification Outstanding Recorded Investment (2)				
(dollar amounts in millions)	Number of Contracts	Interest rate concession	Amortization or maturity date concession	Chapter 7 bankruptcy	Other	Total
Year Ended December 31, 2022						
Commercial and industrial	313	$ 92	$ 62	$ —	$ 15	$ 169
Commercial real estate	26	62	27	—	—	89
Residential mortgage	806	—	109	5	—	114
Automobile	2,368	—	17	3	—	20
Home equity	228	—	8	4	—	12
RV and marine	137	—	2	1	—	3
Other consumer	127	—	—	—	1	1
Total new TDRs	4,005	$ 154	$ 225	$ 13	$ 16	$ 408
Year Ended December 31, 2021						
Commercial and industrial	76	$ 29	$ 25	$ —	$ —	$ 54
Commercial real estate	5	—	—	—	—	—
Residential mortgage	320	—	39	6	—	45
Automobile	2,442	—	16	4	—	20
Home equity	214	—	4	7	—	11
RV and marine	138	1	2	1	—	4
Other consumer	270	—	—	—	1	1
Total new TDRs	3,465	$ 30	$ 86	$ 18	$ 1	$ 135

(1) TDRs may include multiple concessions and the disclosure classifications are based on the primary concession provided to the borrower.
(2) Post-modification balances approximate pre-modification balances.

Pledged Loans

The Bank has access to the Federal Reserve’s discount window and advances from the FHLB. As of December 31, 2022 and 2021, these borrowings and advances are secured by $70.9 billion and $61.1 billion, respectively, of loans.

6. ALLOWANCE FOR CREDIT LOSSES

The following table presents ACL activity by portfolio segment.

(dollar amounts in millions)	Commercial	Consumer	Total
Year ended December 31, 2022:			
ALLL balance, beginning of period	$ 1,462	$ 568	$ 2,030
Loan and lease charge-offs	(129)	(184)	(313)
Recoveries of loans and leases previously charged-off	114	78	192
Provision (benefit) for loan and lease losses	(23)	235	212
ALLL balance, end of period	$ 1,424	$ 697	$ 2,121
AULC balance, beginning of period	$ 41	$ 36	$ 77
Provision for unfunded lending commitments	30	43	73
AULC balance, end of period	$ 71	$ 79	$ 150
ACL balance, end of period	$ 1,495	$ 776	$ 2,271
Year ended December 31, 2021:			
ALLL balance, beginning of period	$ 1,236	$ 578	$ 1,814
Loan and lease charge-offs	(243)	(139)	(382)
Recoveries of loans and leases previously charged-off	83	84	167
Provision (benefit) for loan and lease losses	12	(13)	(1)
Allowance on PCD loans and leases at acquisition	374	58	432
ALLL balance, end of period	$ 1,462	$ 568	$ 2,030
AULC balance, beginning of period	$ 34	$ 18	$ 52
Provision for unfunded lending commitments	8	18	26
Unfunded lending commitment losses	(1)	—	(1)
AULC balance, end of period	$ 41	$ 36	$ 77
ACL balance, end of period	$ 1,503	$ 604	$ 2,107
Year ended December 31, 2020:			
ALLL balance, beginning of period	$ 552	$ 231	$ 783
Cumulative-effect of change in accounting principle for financial instruments - credit losses (1)	180	211	391
Loan and lease charge-offs	(374)	(166)	(540)
Recoveries of loans and leases previously charged-off	32	59	91
Provision for loan and lease losses	846	243	1,089
ALLL balance, end of period	$ 1,236	$ 578	$ 1,814
AULC balance, beginning of period	$ 102	$ 2	$ 104
Cumulative-effect of change in accounting principle for financial instruments - credit losses (1)	(38)	40	2
Provision (benefit) for unfunded lending commitments	(17)	(24)	(41)
Unfunded lending commitment losses	(13)	—	(13)
AULC balance, end of period	$ 34	$ 18	$ 52
ACL balance, end of period	$ 1,270	$ 596	$ 1,866

(1) Relates to day one impact of the CECL adjustment as a result of the implementation of ASU 2016-13.

At December 31, 2022, the ACL was $2.3 billion, an increase of $164 million from the December 31, 2021 balance of $2.1 billion. The increase was primarily driven by loan and lease growth of $8.3 billion, but also recognizes the increased near-term recessionary risks at the end of 2022.

The Commercial ACL was $1.5 billion at both December 31, 2022 and December 31, 2021. The impacts of strong commercial loan and lease growth of $5.4 billion and a generally more pessimistic economic forecast were offset by reductions in qualitative reserves related to the CRE portfolio as more clarity with respect to COVID-related impacts emerged throughout 2022.

The Consumer ACL balance was $776 million at December 31, 2022, an increase of $172 million from the December 31, 2021 balance of $604 million. The increase is attributable to a combination of strong consumer loan growth over the course of 2022 of $3.9 billion, while also reflecting a deterioration in the economic forecast resulting in increased near-term recessionary risks for the consumer portfolio.

The baseline economic scenario used in the December 31, 2022 ACL determination included the Federal Funds Rate projected to peak at approximately 4.6% in the second quarter of 2023 as the Federal Reserve continues to address the elevated inflation levels. As a result, inflation is expected to drop from an average of 8.1% in 2022 to an average of 2.4% by 2024. However, slowing economic growth is anticipated in the short term and unemployment is expected to gradually increase to a projected level of 4.1% by Q4 2023. It is also expected that consumers will continue to experience increased payment stress due to the interest rate increases, some of which is reflected in a deterioration in the projected HPI forecast. As a result of all these factors, there is an increased risk of a near-term recession in 2023.

Economic scenarios included elevated levels of economic uncertainty associated with geopolitical instability, high inflation readings, the U.S labor market and the expected path of interest rate increases by the Federal Reserve. Given the uncertainty associated with key economic scenario assumptions, the December 31, 2022 ACL included a general reserve that consists of various risk profile components to address uncertainty not measured within the quantitative transaction reserve.

7. MORTGAGE LOAN SALES AND SERVICING RIGHTS

Residential Mortgage Portfolio

The following table summarizes activity relating to residential mortgage loans sold with servicing retained.

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Residential mortgage loans sold with servicing retained	$ 5,686	$ 9,702	$ 8,436
Pretax gains resulting from above loan sales (1)	137	356	311

(1) Recorded in mortgage banking income.

The following table summarizes the changes in MSRs recorded using the fair value method:

	Year Ended December 31,	
(dollar amounts in millions)	2022	2021
Fair value, beginning of period	$ 351	$ 210
Servicing assets obtained in acquisition	—	59
New servicing assets created	85	135
Change in fair value during the period due to:		
Time decay (1)	(22)	(15)
Payoffs (2)	(34)	(65)
Changes in valuation inputs or assumptions (3)	114	27
Fair value, end of period	$ 494	$ 351

(1) Represents decrease in value due to passage of time, including the impact from both regularly scheduled 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.

MSRs do not trade in an active, open market with readily observable prices. Therefore, the fair value of MSRs is estimated using a discounted future cash flow model. Changes in the assumptions used may have a significant impact on the valuation of MSRs. MSR values are sensitive to movement in interest rates as expected future net servicing income depends on the projected outstanding principal balances of the underlying loans, which are impacted by the level of prepayments.

The following table summarizes the key assumptions and the sensitivity of the MSR value to changes in these assumptions.

	At December 31, 2022			At December 31, 2021		
		Decline in fair value due to			Decline in fair value due to	
(dollar amounts in millions)	Actual	10% adverse change	20% adverse change	Actual	10% adverse change	20% adverse change
Constant prepayment rate *(annualized)*	7.05 %	$ (13)	$ (25)	12.28 %	$ (17)	$ (32)
Spread over forward interest rate swap rates	578 bps	(12)	(22)	466 bps	(7)	(13)

Total servicing, late and other ancillary fees included in mortgage banking income was $91 million, $79 million, and $64 million for the years ended December 31, 2022, 2021, and 2020, respectively. The unpaid principal balance of residential mortgage loans serviced for third parties was $32.4 billion, $31.0 billion, and $23.5 billion at December 31, 2022, 2021, and 2020, respectively.

8. GOODWILL AND OTHER INTANGIBLE ASSETS

Business segments are based on segment leadership structure, which reflects how segment performance is monitored and assessed. We have four major business segments: Consumer and Business Banking, Commercial Banking, Vehicle Finance, and Regional Banking and The Huntington Private Client Group (RBHPCG). The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

A rollforward of goodwill by business segment for which goodwill is allocated is presented in the table below. No goodwill impairment was recorded in 2022 or 2021.

(dollar amounts in millions)	Consumer & Business Banking	Commercial Banking	RBHPCG	Huntington Consolidated
Balance, January 1, 2020	$ 1,393	$ 427	$ 170	$ 1,990
TCF acquisition	2,026	1,272	61	3,359
Balance, December 31, 2021	3,419	1,699	231	5,349
Acquisitions	—	222	—	222
Balance, December 31, 2022	$ 3,419	$ 1,921	$ 231	$ 5,571

For additional information on the acquisitions, refer to Note 3 "Business Combinations."

Huntington's other intangible assets consisted of the following:

(dollar amounts in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
At December 31, 2022			
Core deposit intangible	$ 385	$ (216)	$ 169
Customer relationship	107	(81)	26
Total other intangible assets	$ 492	$ (297)	$ 195
At December 31, 2021			
Core deposit intangible	$ 389	$ (175)	$ 214
Customer relationship	108	(80)	28
Total other intangible assets	$ 497	$ (255)	$ 242

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

(dollar amounts in millions)	Amortization Expense
2023	$ 51
2024	47
2025	44
2026	29
2027	10

9. PREMISES AND EQUIPMENT

Premises and equipment were comprised of the following:

(dollar amounts in millions)	At December 31, 2022	2021
Land and land improvements	$ 337	$ 335
Buildings	776	807
Leasehold improvements	269	219
Equipment	896	852
Total premises and equipment	2,278	2,213
Less accumulated depreciation and amortization	(1,122)	(1,049)
Net premises and equipment	$ 1,156	$ 1,164

Depreciation and amortization charged to expense and rental income credited to net occupancy expense were as follows:

(dollar amounts in millions)	Year Ended December 31, 2022	2021	2020
Total depreciation and amortization of premises and equipment	$ 182	$ 178	$ 119
Rental income credited to net occupancy expense	10	9	10

10. OPERATING LEASES

At December 31, 2022, Huntington was obligated under non-cancelable leases for branch and office space. These leases are all classified as operating due to the amount of time such spaces are occupied relative to the underlying assets useful lives. Many of these leases contain renewal options, most of which are not included in measurement of the right-of-use asset as they are not considered reasonably certain of exercise (i.e., Huntington does not currently have a significant economic incentive to exercise these options).

Net lease assets and liabilities are as follows:

(dollar amounts in millions)	Classification	At December 31, 2022	2021
Assets			
Operating lease assets	Other assets	$ 279	$ 316
Liabilities			
Lease liabilities	Other liabilities	$ 401	$ 441

Net lease cost are as follows:

(dollar amounts in millions)	Classification	Year Ended December 31, 2022	2021
Operating lease cost	Net occupancy	$ 81	$ 102
Short-term lease cost	Net occupancy	2	3
Net lease cost		$ 83	$ 105

Maturity of lease liabilities at December 31, 2022 are as follows:

(dollar amounts in millions)	Total
2023	$ 70
2024	67
2025	58
2026	43
2027	36
Thereafter	262
Total lease payments	536
Less: Interest	(135)
Total lease liabilities	$ 401

Additional supplemental information related to the Company's operating leases is as follows:

	Year Ended December 31,	
(dollar amounts in millions)	2022	2021
Cash paid for amounts included in the measurement of lease liabilities for operating cash flows	$ (80)	$ (50)
Right-of-use assets obtained in exchange for lease obligations for operating leases	22	174
Weighted-average remaining lease term (years) for operating leases	11.48	11.24
Weighted-average discount rate for operating leases	4.64 %	3.87 %

11. BORROWINGS

Borrowings with original maturities of one year or less are classified as short-term and were comprised of the following:

	At December 31,	
(dollar amounts in millions)	2022	2021
Federal funds purchased and securities sold under agreements to repurchase	$ 253	$ 320
FHLB advances	1,700	—
Other borrowings	74	14
Total short-term borrowings	$ 2,027	$ 334

Huntington's long-term debt consisted of the following:

(dollar amounts in millions)	At December 31, 2022	2021
The Parent Company:		
Senior Notes:		
2.67% Huntington Bancshares Incorporated senior notes due 2024	$ 762	$ 812
4.05% Huntington Bancshares Incorporated senior notes due 2025	481	527
4.51% Huntington Bancshares Incorporated senior notes due 2028	704	—
2.60% Huntington Bancshares Incorporated senior notes due 2030	679	744
5.08% Huntington Bancshares Incorporated senior notes due 2033	379	—
Subordinated Notes:		
3.55% Huntington Bancshares Incorporated subordinated notes due 2023	225	227
Huntington Capital I Trust Preferred 5.47% junior subordinated debentures due 2027 (1) (8)	69	69
Huntington Capital II Trust Preferred 5.39% junior subordinated debentures due 2028 (2) (8)	32	32
Sky Financial Capital Trust III 6.17% junior subordinated debentures due 2036 (3) (8)	72	72
Sky Financial Capital Trust IV 6.17% junior subordinated debentures due 2036 (3) (8)	74	74
2.49% Huntington Bancshares Incorporated subordinated notes due 2036	1	554
2.53% Huntington Bancshares Incorporated subordinated notes due 2036	502	—
Total notes issued by the parent	3,980	3,111
The Bank:		
Senior Notes:		
2.55% Huntington National Bank senior notes due 2022	—	703
3.16% Huntington National Bank senior notes due 2022	—	500
1.83% Huntington National Bank senior notes due 2023	—	483
3.60% Huntington National Bank senior notes due 2023	735	748
5.42% Huntington National Bank senior notes due 2025	299	—
4.11% Huntington National Bank senior notes due 2025	486	—
5.70% Huntington National Bank senior notes due 2025	1,094	—
4.55% Huntington National Bank senior notes due 2028	766	—
5.76% Huntington National Bank senior notes due 2030	892	—
Subordinated Notes:		
0.64% Huntington National Bank subordinated notes due 2022	—	113
0.96% Huntington National Bank subordinated notes due 2025	129	142
3.86% Huntington National Bank subordinated notes due 2026	218	226
3.03% Huntington National Bank subordinated notes due 2029	153	161
3.75% Huntington National Bank subordinated notes due 2030	151	169
Total notes issued by the bank	4,923	3,245
FHLB Advances:		
1.04% weighted average rate, varying maturities greater than one year	211	215
Other:		
Huntington Technology Finance nonrecourse debt, 3.93% weighted average interest rate, varying maturities	337	287
2.09% Huntington Preferred Capital II - Class F securities	—	75
6.65% Huntington Preferred Capital II - Class G securities (4)	50	50
6.77% Huntington Preferred Capital II - Class I securities (5)	50	50
6.90% Huntington Preferred Capital II - Class J securities (6)	75	75
7.40% Huntington Preferred Capital II - Class L Securities (7)	60	—
Total long-term debt	$ 9,686	$ 7,108

(1) Variable effective rate at December 31, 2022, based on three-month LIBOR + 0.70%.
(2) Variable effective rate at December 31, 2022, based on three-month LIBOR + 0.625%.
(3) Variable effective rate at December 31, 2022, based on three-month LIBOR + 1.40%.
(4) Variable effective rate at December 31, 2022, based on three-month LIBOR + 1.88%.
(5) Variable effective rate at December 31, 2022, based on three-month LIBOR + 2.00%.
(6) Variable effective rate at December 31, 2022, based on three-month SOFR + 2.60%.
(7) Variable effective rate at December 31, 2022 based on three-month SOFR + 3.10%.
(8) Represents the outstanding amount of debentures issued to each trust and related trust-preferred securities. Refer to Note 21 "Variable Interest Entity" for trust-preferred securities details.

Amounts above are net of unamortized discounts and adjustments related to hedging with derivative financial instruments. We use interest rate swaps to hedge interest rate risk of certain fixed-rate debt by converting the debt to a variable rate. See Note 20 - "Derivative Financial Instruments" for more information regarding such financial instruments.

Long-term debt maturities for the next five years and thereafter are as follows:

(dollar amounts in millions)	2023	2024	2025	2026	2027	Thereafter	Total
The Parent Company:							
Senior notes	$ —	$ 800	$ 500	$ —	$ —	$ 1,900	$ 3,200
Subordinated notes	225	—	—	—	70	739	1,034
The Bank:							
Senior notes	724	—	1,900	—	—	1,700	4,324
Subordinated notes	—	—	130	239	—	300	669
FHLB Advances	1	—	200	—	—	1	202
Other	85	106	97	137	143	5	573
Total	$ 1,035	$ 906	$ 2,827	$ 376	$ 213	$ 4,645	$ 10,002

These maturities are based upon the par values of the long-term debt.

The terms of certain long-term debt obligations contain various restrictive covenants including limitations on the acquisition of additional debt, dividend payments, and the disposition of subsidiaries. As of December 31, 2022, Huntington was in compliance with all such covenants.

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12. OTHER COMPREHENSIVE INCOME

The components of Huntington's OCI were as follows:

(dollar amounts in millions)	Pretax	Tax (expense) benefit	After-tax
Year Ended December 31, 2022			
Unrealized losses on available-for-sale securities arising during the period	$ (3,799)	$ 873	$ (2,926)
Reclassification adjustment for realized net losses included in net income	100	(23)	77
Total unrealized losses on available-for-sale securities	(3,699)	850	(2,849)
Net impact of hedges on available-for-sale securities	865	(200)	665
Change in fair value of cash flow hedges on loans	(896)	201	(695)
Foreign currency translation adjustment (1)	(15)	—	(15)
Net unrealized gains (losses) on net investment hedges	10	—	10
Translation adjustments, net of hedges (1)	(5)	—	(5)
Change in accumulated unrealized gains for pension and other post retirement obligations	19	(4)	15
Other comprehensive loss	$ (3,716)	$ 847	$ (2,869)
Year Ended December 31, 2021			
Unrealized losses on available-for-sale securities arising during the period	$ (474)	$ 107	$ (367)
Reclassification adjustment for realized net losses included in net income	34	(8)	26
Total unrealized losses on available-for-sale securities	(440)	99	(341)
Net impact of hedges on available-for-sale securities	113	(26)	87
Change in fair value of cash flow hedges on loans	(257)	65	(192)
Foreign currency translation adjustment (1)	(12)	—	(12)
Net unrealized gains (losses) on net investment hedges	9	—	9
Translation adjustments, net of hedges (1)	(3)	—	(3)
Change in accumulated unrealized gains for pension and other post retirement obligations	36	(8)	28
Other comprehensive income	$ (551)	$ 130	$ (421)
Year Ended December 31, 2020			
Unrealized losses on available-for-sale securities arising during the period	$ 235	$ (52)	$ 183
Reclassification adjustment for realized net losses included in net income	42	(9)	33
Total unrealized losses on available-for-sale securities	277	(61)	216
Net impact of hedges on available-for-sale securities	3	(1)	2
Change in fair value of cash flow hedges on loans	299	(67)	232
Change in accumulated unrealized gains for pension and other post retirement obligations (2)	(3)	1	(2)
Other comprehensive income	$ 576	$ (128)	$ 448

(1) Foreign investments are deemed to be permanent in nature and, therefore, Huntington does not provide for taxes on foreign currency translation adjustments.
(2) Includes a settlement gain recognized in other noninterest income on the Consolidated Statements of Income.

Activity in accumulated OCI were as follows:

(dollar amounts in millions)	Unrealized (losses) gains on debt securities (1)	Net impact of hedges on available-for-sale securities	Change in fair value of cash flow hedges on loans	Translation adjustments, net of hedges	Unrealized (losses) gains for pension and other post-retirement obligations	Total
December 31, 2019	$ (28)	$ —	$ 23	$ —	$ (251)	$ (256)
Other comprehensive income before reclassifications	183	2	232	—	—	417
Amounts reclassified from accumulated OCI to earnings	33	—	—	—	(2)	31
Period change	216	2	232	—	(2)	448
December 31, 2020	188	2	255	—	(253)	192
Other comprehensive income (loss) before reclassifications	(367)	87	(192)	(3)	—	(475)
Amounts reclassified from accumulated OCI to earnings	26	—	—	—	28	54
Period change	(341)	87	(192)	(3)	28	(421)
December 31, 2021	(153)	89	63	(3)	(225)	(229)
Other comprehensive income before reclassifications	(2,926)	665	(695)	(5)	—	(2,961)
Amounts reclassified from accumulated OCI to earnings	77	—	—	—	15	92
Period change	(2,849)	665	(695)	(5)	15	(2,869)
December 31, 2022	$ (3,002)	$ 754	$ (632)	$ (8)	$ (210)	$ (3,098)

(1) AOCI amounts at December 31, 2022, 2021, and 2020 include $16 million, $27 million, and $53 million, respectively, of net unrealized losses (after-tax) on securities transferred from the available-for-sale securities portfolio to the held-to-maturity securities portfolio. The net unrealized losses will be recognized in earnings over the remaining life of the security using the effective interest method.

13. SHAREHOLDERS' EQUITY

The following is a summary of Huntington's non-cumulative, non-voting, perpetual preferred stock outstanding.

(dollar amounts in millions)					Carrying Amount	
Series	Issuance Date	Shares Outstanding	Dividend Rate	Earliest Optional Redemption Date (1)	December 31, 2022	December 31, 2021
Series B (2)	12/28/2011	35,500	3-mo. LIBOR +270 bps	1/15/2017	$ 23	$ 23
Series E (3)	2/27/2018	5,000	5.70	4/15/2023	495	495
Series F (3)	5/27/2020	5,000	5.625	7/15/2030	494	494
Series G (3)	8/3/2020	5,000	4.45	10/15/2027	494	494
Series H (2)	2/2/2021	500,000	4.50	4/15/2026	486	486
Series I (4)	6/9/2021	7,000	5.70	12/01/2022	175	175
Total		557,500			$ 2,167	$ 2,167

(1) Redeemable at Huntington's option on the date stated or on a quarterly basis thereafter. Earlier redemption is solely at Huntington's option, subject to any required prior approval of Federal Reserve.
(2) Series B and H of preferred stock have a liquidation value and redemption price per share of $1,000, plus any declared and unpaid dividends.
(3) Series E, F, and G, preferred stock have a liquidation value and redemption price per share of $100,000, plus any declared and unpaid dividends.
(4) Series I preferred stock has a liquidation value and redemption price per share of $25,000, plus any declared and unpaid dividends.

The following table presents the dividends declared for each series of Preferred shares.

(amounts in millions, except per share data)	Year Ended December 31,					
	2022		2021		2020	
Preferred Series	Cash Dividend Declared Per Share	Amount ($)	Cash Dividend Declared Per Share	Amount ($)	Cash Dividend Declared Per Share	Amount ($)
Series B	$ 46.68	$ (2)	$ 28.69	$ (1)	$ 35.91	$ (1)
Series C	—	—	44.07	(4)	58.76	(6)
Series D	—	—	31.25	(18)	62.50	(37)
Series E	5,700.00	(29)	5,700.00	(29)	5,700.00	(29)
Series F	5,625.00	(28)	5,625.00	(28)	3,468.75	(17)
Series G	4,450.00	(22)	4,450.00	(23)	1,915.97	(10)
Series H	45.00	(22)	42.00	(21)	—	—
Series I	1,425.00	(10)	1,068.75	(7)	—	—
Total		$ (113)		$ (131)		$ (100)

On July 15, 2021, all $600 million of outstanding 6.250% Series D Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share, were redeemed.

On October 15, 2021, all $100 million of outstanding 5.875% Series C Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share, were redeemed.

Treasury shares

Treasury shares includes shares held for deferred compensation plans, at cost, of $80 million at December 31, 2022 and $79 million at December 31, 2021.

Non-controlling Interest in Subsidiaries

Through the acquisition of TCF, Huntington acquired a joint venture in which Huntington maintains a 55% ownership interest. As Huntington has a controlling financial interest, its financial results are consolidated in Huntington's financial statements and the other party's 45% ownership interest is reported as a non-controlling interest within equity.

14. EARNINGS PER SHARE

Basic earnings per share is the amount of earnings (adjusted for dividends declared on preferred stock and impact of preferred stock redemption) 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, and distributions from deferred compensation plans. Potentially dilutive common shares are excluded from the computation of diluted earnings per share in periods in which the effect would be antidilutive.

The calculation of basic and diluted earnings per share is as follows:

(dollar amounts in millions, except per share data, share count in thousands)	Year Ended December 31, 2022	2021	2020
Basic earnings per common share:			
Net income attributable to Huntington Bancshares Inc	$ 2,238	$ 1,295	$ 817
Dividends on preferred shares	113	131	100
Impact of preferred stock redemption	—	11	—
Net income available to common shares	$ 2,125	$ 1,153	$ 717
Average common shares issued and outstanding	1,441,279	1,262,435	1,017,117
Basic earnings per common share	$ 1.47	$ 0.91	$ 0.71
Diluted earnings per common share:			
Dilutive potential common shares			
Stock options and restricted stock units and awards	17,534	18,185	10,613
Shares held in deferred compensation plans	6,407	6,113	4,953
Dilutive potential common shares	23,941	24,298	15,566
Total diluted average common shares issued and outstanding	1,465,220	1,286,733	1,032,683
Diluted earnings per common share	$ 1.45	$ 0.90	$ 0.69
Anti-dilutive awards (1)	5,303	2,674	9,760

(1) Reflects the total number of shares related to outstanding options that have been excluded from the computation of diluted earnings per share because the impact would have been anti-dilutive.

15. NONINTEREST INCOME

Huntington earns a variety of revenue including interest and fees from customers as well as revenues from non-customers. Certain sources of revenue are recognized within interest or fee income and are outside of the scope of ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”). Other sources of revenue fall within the scope of ASC 606 and are generally recognized within noninterest income. These revenues are included within various sections of the Consolidated Financial Statements. Refer to Note 1, “Significant Accounting Policies” for details of these revenues. The following table shows Huntington’s total noninterest income segregated between contracts with customers within the scope of ASC 606 and those within the scope of other GAAP Topics.

(dollar amounts in millions)	Year Ended December 31, 2022	2021	2020
Noninterest income			
Noninterest income from contracts with customers	$ 1,318	$ 1,113	$ 884
Noninterest income within the scope of other GAAP topics	663	776	707
Total noninterest income	$ 1,981	$ 1,889	$ 1,591

The following table illustrates the disaggregation by operating segment and major revenue stream and reconciles disaggregated revenue to segment revenue presented in Note 25 - “Segment Reporting”:

(dollar amounts in millions)	Year Ended December 31, 2022 Commercial Banking	Consumer & Business Banking	Vehicle Finance	RBHPCG	Treasury / Other	Huntington Consolidated
Major Revenue Streams						
Service charges on deposit accounts	$ 85	$ 288	$ 7	$ 4	$ —	$ 384
Card and payment processing income	24	324	—	—	—	348
Capital markets fees	90	8	2	2	(3)	99
Trust and investment management services	4	67	—	178	—	249
Insurance income	9	59	—	50	(1)	117
Other noninterest income	94	26	1	2	(2)	121
Net revenue from contracts with customers	$ 306	$ 772	$ 10	$ 236	$ (6)	$ 1,318
Noninterest income within the scope of other GAAP topics	364	245	3	3	48	663
Total noninterest income	$ 670	$ 1,017	$ 13	$ 239	$ 42	$ 1,981

(dollar amounts in millions)	Year Ended December 31, 2021 Commercial Banking	Consumer & Business Banking	Vehicle Finance	RBHPCG	Treasury / Other	Huntington Consolidated
Major Revenue Streams						
Service charges on deposit accounts	$ 85	$ 278	$ 6	$ 3	$ —	$ 372
Card and payment processing income	19	292	—	—	—	311
Capital markets fees	16	6	2	1	—	25
Trust and investment management services	3	63	—	166	—	232
Insurance Income	7	48	—	49	1	105
Other noninterest income	29	20	1	7	11	68
Net revenue from contracts with customers	$ 159	$ 707	$ 9	$ 226	$ 12	$ 1,113
Noninterest income within the scope of other GAAP topics	364	338	4	1	69	776
Total noninterest income	$ 523	$ 1,045	$ 13	$ 227	$ 81	$ 1,889

(dollar amounts in millions)	Year Ended December 31, 2020 Commercial Banking	Consumer & Business Banking	Vehicle Finance	RBHPCG	Treasury / Other	Huntington Consolidated
Major Revenue Streams						
Service charges on deposit accounts	$ 74	$ 217	$ 6	$ 4	$ —	$ 301
Card and payment processing income	15	221	—	—	—	236
Capital markets fees	10	5	2	1	—	18
Trust and investment management services	5	44	—	140	—	189
Insurance Income	7	43	—	46	1	97
Other noninterest income	12	21	—	10	—	43
Net revenue from contracts with customers	$ 123	$ 551	$ 8	$ 201	$ 1	$ 884
Noninterest income within the scope of other GAAP topics	241	394	1	—	71	707
Total noninterest income	$ 364	$ 945	$ 9	$ 201	$ 72	$ 1,591

Huntington generally provides services for customers in which it acts as principal. Payment terms and conditions vary amongst services and customers, and thus impact the timing and amount of revenue recognition. Some fees may be paid before any service is rendered and accordingly, such fees are deferred until the obligations pertaining to those fees are satisfied. Most Huntington contracts with customers are cancelable by either party without penalty or they are short-term in nature, with a contract duration of less than one year. Accordingly, most revenue deferred for the reporting period ended December 31, 2022 is expected to be earned within one year. Huntington does not have significant balances of contract assets or contract liabilities and any change in those balances during the reporting period ended December 31, 2022 was determined to be immaterial.

16. SHARE-BASED COMPENSATION

Share-based awards are eligible for issuance under the Huntington Bancshares Incorporated 2018 Long Term Incentive Plan. This plan provides for the granting of stock options, restricted stock awards, restricted stock units, performance share units and other awards to officers, directors, and other employees. In connection with the TCF acquisition in 2021, equity awards granted under the TCF equity plans were assumed subject to the same terms and conditions applicable to such awards prior to the date of acquisition. At December 31, 2022, 21 million shares were available for future grants.

Huntington issues shares to fulfill share-based award vesting from available authorized common shares. At December 31, 2022, Huntington believes there are adequate authorized common shares to satisfy anticipated share-based award vesting in 2023.

The following table presents total share-based compensation expense and related tax benefit.

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Share-based compensation expense (1)	$ 119	$ 138	$ 77
Tax benefit	20	22	13

(1) Compensation costs are included in personnel costs on the Consolidated Statements of Income.

Stock Options

Stock options, awarded by Huntington, are granted at the closing market price on the date of the grant and vest ratably overfour years or when other conditions are met. Options assumed in the TCF acquisition vest ratably over a five-year period. Stock options, which represented a portion of the grant values, have no intrinsic value until the stock price increases. All options have a contractual term of ten years from the date of grant.

Huntington's stock option activity and related information was as follows:

(dollar amounts in millions, except per share and options amounts in thousands)	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2022	14,466	$ 12.34		
Granted	74	15.54		
Exercised	(912)	10.08		
Forfeited/expired	(170)	13.20		
Outstanding at December 31, 2022	13,458	$ 12.50	6.0	$ 28
Expected to vest (1)	4,076	$ 12.09	7.5	$ 11
Exercisable at December 31, 2022	9,336	$ 12.68	5.3	$ 17

(1) The number of options expected to vest reflect an estimate of 46,000 shares expected to be forfeited.

Restricted Stock Awards, Restricted Stock Units and Performance Share Units

Restricted stock units and performance share units awarded by Huntington are granted at the closing market price on the date of the grant. Restricted stock units and awards can be settled in shares or cash depending on the award. Restricted stock units, for the most part, provide either accumulated cash dividends during the vesting period or, accrue a dividend equivalent that is paid upon vesting. Both restricted stock awards and restricted stock units are subject to certain service restrictions. Performance share units are payable contingent upon Huntington achieving certain predefined performance objectives over a three-year measurement period. The fair value of these awards and units reflects the closing market price of Huntington's common stock on the grant or assumption date.

The following table summarizes the status of Huntington's restricted stock awards, restricted stock units, and performance share units as of December 31, 2022, and activity for the year ended December 31, 2022:

	Restricted Stock Awards		Restricted Stock Units		Performance Share Units	
(amounts in thousands, except per share amounts)	Quantity	Weighted-Average Grant Date Fair Value Per Share	Quantity	Weighted-Average Grant Date Fair Value Per Share	Quantity	Weighted-Average Grant Date Fair Value Per Share
Nonvested at January 1, 2022	356	$ 14.46	19,098	$ 12.85	3,126	$ 12.06
Granted	—	—	12,592	13.37	1,743	14.39
Vested	(212)	14.72	(5,848)	14.31	(1,342)	13.72
Forfeited	(20)	14.39	(1,621)	12.69	(58)	13.50
Nonvested at December 31, 2022	124	$ 14.37	24,221	$ 12.70	3,469	$ 12.40

The weighted-average fair value at grant date of nonvested shares granted for the years ended December 31, 2022, 2021, and 2020 were $13.47, $15.78, and $8.90, respectively. The total fair value of awards vested during the years ended December 31, 2022, 2021, and 2020 was $105 million, $135 million, and $86 million, respectively. As of December 31, 2022, the total unrecognized compensation cost related to nonvested shares was $151 million with a weighted-average expense recognition period of 2.7 years.

17. BENEFIT PLANS

Huntington sponsors 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, no longer accrues service benefits to participants and provides benefits based upon length of service and compensation levels. Huntington's funding policy 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 were no required minimum contributions during 2022.

The following table shows the weighted-average assumptions used to determine the benefit obligation and the net periodic benefit cost:

	At December 31,	
	2022	2021
Weighted-average assumptions used to determine benefit obligations		
Discount rate	5.41 %	2.86 %
Weighted-average assumptions used to determine net periodic benefit cost		
Discount rate	2.86	2.50
Expected return on plan assets	4.50	4.50

The following table reconciles the beginning and ending balances of the benefit obligation of the Plan with the amounts recognized in the consolidated balance sheets:

	At December 31,	
(dollar amounts in millions)	2022	2021
Projected benefit obligation at beginning of measurement year	$ 956	$ 1,026
Changes due to:		
Service cost	3	3
Interest cost	22	19
Benefits paid	(32)	(30)
Settlements	(29)	(25)
Actuarial gains	(228)	(37)
Total changes	(264)	(70)
Projected benefit obligation at end of measurement year	$ 692	$ 956

The following table reconciles the beginning and ending balances of the fair value of Plan assets:

(dollar amounts in millions)	At December 31, 2022	2021
Fair value of plan assets at beginning of measurement year	$ 1,007	$ 1,050
Changes due to:		
Actual return on plan assets	(197)	15
Settlements	(38)	(28)
Benefits paid	(32)	(30)
Total changes	(267)	(43)
Fair value of plan assets at end of measurement year	$ 740	$ 1,007

As of December 31, 2022, the difference between the accumulated benefit obligation and the fair value of Plan assets was $18 million and is recorded in other assets.

The following table shows the components of net periodic benefit costs recognized:

(dollar amounts in millions)	Year Ended December 31, (1) 2022	2021	2020
Service cost	$ 3	$ 3	$ 3
Interest cost	22	19	26
Expected return on plan assets	(41)	(40)	(42)
Amortization of loss	9	12	9
Settlements	15	8	5
Benefit costs	$ 8	$ 2	$ 1

(1) The pension costs are recognized in other noninterest income in the Consolidated Statements of Income

At December 31, 2022 and 2021, The Huntington National Bank, as trustee, held all Plan assets. The Plan assets consisted of investments in a variety of cash equivalent, corporate and government fixed income, and equity investments as follows:

(dollar amounts in millions)	Fair Value at December 31, 2022		2021	
Cash equivalents:				
Mutual funds-money market	$ 23	3 %	$ 45	5 %
Fixed income:				
Corporate obligations	414	57	559	55
U.S. Government obligations	154	21	208	21
Municipal obligations	3	—	5	—
Collective trust funds	62	8	13	1
Equities:				
Common stock	—	—	52	5
Limited liability companies	9	1	36	4
Collective trust funds	27	4	30	3
Limited partnerships	48	6	58	6
Fair value of plan assets	$ 740	100 %	$ 1,007	100 %

Investments of the Plan are accounted for at cost on the trade date and are reported at fair value. The valuation methodologies used to measure the fair value of pension plan assets vary depending on the type of asset. At December 31, 2022, mutual money market funds are valued at the closing price reported from an actively traded exchange and are classified as Level 1. Fixed income investments are valued using unadjusted quoted prices from active markets for similar assets are classified as Level 2. Common stock is valued using the year-end closing price as determined by a national securities exchange and are classified as Level 1. Collective trust funds and limited liability companies are valued at net asset value per unit as a practical expedient, which is calculated based on the fair values of the underlying investments held by the fund less its liabilities as reported by the issuer of the fund. The investment in the limited partnerships is reported at net asset value per share as determined by the general partners of each limited partnership, based on their proportionate share of the partnership's fair value as recorded in the partnership's audited financial statements.

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 December 31, 2022, Plan assets were invested 3% in cash equivalents, 11% in equity investments, and86% in fixed income investments, with an average duration of 10.9 years on investments. The estimated life of benefit obligations was10.3 years. Although it may fluctuate with market conditions, Huntington has targeted a long-term allocation of Plan assets of 10% in equity investments and 90% in bond investments. The allocation of Plan assets between equity investments and fixed income investments will change from time to time.

At December 31, 2022, the following table shows when benefit payments are expected to be paid:

(dollar amounts in millions)	Pension Benefits
2023	$ 50
2024	50
2025	50
2026	50
2027	50
2027 through 2030	239

Huntington has a defined contribution plan that is available to eligible employees. Huntington's expense related to the defined contribution plans for the years ended December 31, 2022, 2021, and 2020 was $58 million, $70 million, and $47 million, respectively.

The following table shows the number of shares, market value, and dividends received on shares of Huntington stock held by the defined contribution plan:

	At December 31,	
(dollar amounts in millions, share amounts in thousands)	2022	2021
Shares in Huntington common stock	9,451	9,526
Market value of Huntington common stock	$ 133	$ 147
Dividends received on shares of Huntington stock	6	6

18. INCOME TAXES

The following is a summary of the provision for income taxes:

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Current tax provision (benefit)			
Federal	$ 129	$ 356	$ 236
State	62	13	12
Foreign	5	1	—
Total current tax provision	196	370	248
Deferred tax provision (benefit)			
Federal	319	(104)	(103)
State	—	28	10
Total deferred tax provision (benefit)	319	(76)	(93)
Provision for income taxes	$ 515	$ 294	$ 155

The following is a reconciliation for provision for income taxes:

(dollar amounts in millions)	Year Ended December 31, 2022	2021	2020
Provision for income taxes computed at the statutory rate	$ 580	$ 334	$ 204
Increases (decreases):			
General business credits	(164)	(126)	(99)
Capital loss	(60)	(32)	(25)
Tax-exempt income	(21)	(18)	(17)
Tax-exempt bank owned life insurance income	(11)	(14)	(13)
Affordable housing investment amortization, net of tax benefits	129	102	78
State income taxes, net	49	32	17
Other	13	16	10
Provision for income taxes	$ 515	$ 294	$ 155

The significant components of deferred tax assets and liabilities were as follows:

(dollar amounts in millions)	At December 31, 2022	2021
Deferred tax assets:		
Fair value adjustments	$ 917	$ 65
Allowances for credit losses	526	518
Purchase accounting and other intangibles	167	107
Net operating and other loss carryforward	136	143
Lease liability	96	143
Pension and other employee benefits	68	46
Tax credit carryforward	59	194
Other assets	13	14
Total deferred tax assets	1,982	1,230
Deferred tax liabilities:		
Lease financing	955	712
Operating assets	133	116
Mortgage servicing rights	112	84
Loan origination costs	97	115
Right-of-use asset	67	113
Securities adjustments	42	40
Other liabilities	10	14
Total deferred tax liabilities	1,416	1,194
Net deferred tax asset (liability) before valuation allowance	566	36
Valuation allowance	(32)	(35)
Net deferred tax asset	$ 534	$ 1

At December 31, 2022, Huntington's net deferred tax asset related to loss and other carryforwards was $195 million. This was comprised of federal net operating loss carryforwards of $60 million, which will begin expiring in 2025, state net operating loss carryforwards of $48 million, which will begin expiring in 2023, a federal capital loss carryforward of $22 million, which will expire in 2025, state capital loss carryforwards of $6 million, which will begin expiring in 2023, and general business credits of $59 million, which will expire in 2042.

The Company has established a valuation allowance on its state deferred tax assets as it believes it is more likely than not, portions will not be realized.

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 for tax years through 2009. The 2010-2017 tax years remain open as Huntington is currently appealing certain IRS positions related to these years. The 2018-2021 tax years remain open under the standard statute of limitations. Also, with few exceptions, the Company is no longer subject to state, city, or foreign income tax examinations for tax years before 2018.

The following table provides a reconciliation of the beginning and ending amounts of gross unrecognized tax benefits:

	Year Ended December 31,	
(dollar amounts in millions)	2022	2021
Unrecognized tax benefits at beginning of year	$ 93	$ 46
Gross increases for tax positions taken during prior years	1	47
Unrecognized tax benefits at end of year	$ 94	$ 93

Due to the complexities of some of these uncertainties, the ultimate resolution may result in a liability that is materially different from the current estimate of the tax liabilities. Certain proposed adjustments resulting from the IRS examination of our 2010 through 2011 tax returns have received approval by the Joint Committee on Taxation of the U.S. Congress. The Company is currently working with the IRS to finalize settlement calculations and anticipate all unrecognized tax benefits associated with the exam will be settled within the next twelve months.

Any interest and penalties on income tax assessments or income tax refunds are recognized in the Consolidated Statements of Income as a component of provision for income taxes. The amounts of accrued tax-related interest and penalties were immaterial at December 31, 2022 and 2021. Further, the amount of net interest and penalties related to unrecognized tax benefits was immaterial for all periods presented. All of the gross unrecognized tax benefits would impact the Company’s effective tax rate if recognized.

At December 31, 2022, retained earnings included approximately $182 million of base year reserves of acquired thrift institutions, for which no deferred federal income tax liability has been recognized. Under current law, if these bad debt reserves are used for purposes other than to absorb bad debt losses, they will be subject to federal income tax at the corporate rate enacted at the time. The amount of unrecognized deferred tax liability relating to the cumulative bad debt deduction was approximately $38 million at December 31, 2022.

19. FAIR VALUES OF ASSETS AND LIABILITIES

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. Assets and liabilities measured at fair value rarely transfer between Level 1 and Level 2 measurements. There were no such transfers during the years ended December 31, 2022 and 2021.

Loans held for sale

Huntington has 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.

Loans held for investment

Certain mortgage loans originated with the intent to sell for which the FVO was elected have been reclassified to mortgage loans held for investment. These loans continue to be measured at fair value. The fair value is determined using fair value of similar mortgage-backed securities adjusted for loan specific variables.

Available-for-sale and trading account securities

Securities accounted for at fair value include both the available-for-sale and trading account portfolios. Huntington determines the fair value of securities utilizing quoted market prices obtained for identical or similar assets, third-party pricing services, third-party valuation specialists and other observable inputs such as recent trade observations. AFS and trading securities classified as Level 1 use quoted market prices (unadjusted) in active markets for identical securities at the measurement date. Level 1 positions in these portfolios consist of U.S. Treasury securities. 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. Level 2 positions in these portfolios consist of U.S. Government and agency debt securities, agency mortgage backed securities, private-label asset-backed securities, certain municipal securities, and other securities. For Level 2 securities Huntington primarily uses prices obtained from third-party pricing services to determine the fair value of securities. Huntington independently evaluates and corroborates the fair value received from pricing services through various methods and techniques, including references to dealer or other market quotes, by reviewing valuations of comparable instruments, and by comparing the prices realized on the sale of similar securities. 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. The Level 3 positions predominantly consist of direct purchase 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 direct purchase municipal securities are classified as Level 3 and require estimates to determine fair value which results in greater subjectivity. The fair value is determined by utilizing a discounted cash flow valuation technique employed by a third-party valuation specialist. The third-party specialist uses assumptions related to yield, prepayment speed, conditional default rates and loss severity based on certain factors such as, credit worthiness of the counterparty, prevailing market rates, and analysis of similar securities. Huntington evaluates the fair values provided by the third-party specialist for reasonableness.

Derivative assets and liabilities

Derivatives classified as Level 2 consists of interest rate contracts, which are valued using a discounted cash flow method that incorporates current market interest rates. In addition, Level 2 includes foreign exchange and commodity contracts, which are valued using exchange traded swaps, exchange traded options, and futures market data. 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 of interest rate lock agreements related to mortgage loan commitments and the Visa® share swap.

MSRs

MSRs are accounted for using the fair value method and are classified as Level 3. Refer to Note 7, "Mortgage Loan Sales and Servicing Rights" for information on valuation methodology.

Assets and Liabilities measured at fair value on a recurring basis

	Fair Value Measurements at Reporting Date Using				
(dollar amounts in millions)	Level 1	Level 2	Level 3	Netting Adjustments (1)	At December 31, 2022
Assets					
Trading account securities:					
Municipal securities	$ —	$ 19	$ —	$ —	$ 19
Available-for-sale securities:					
U.S. Treasury securities	103	—	—	—	103
Residential CMO	—	2,914	—	—	2,914
Residential MBS	—	12,263	—	—	12,263
Commercial MBS	—	1,953	—	—	1,953
Other agencies	—	182	—	—	182
Municipal securities	—	42	3,248	—	3,290
Private-label CMO	—	108	20	—	128
Asset-backed securities	—	298	74	—	372
Corporate debt	—	2,214	—	—	2,214
Other securities/sovereign debt	—	4	—	—	4
Total available-for-sale securities	103	19,978	3,342	—	23,423
Other securities	31	1	—	—	32
Loans held for sale	—	520	—	—	520
Loans held for investment	—	169	16	—	185
MSRs	—	—	494	—	494
Other assets:					
Derivative assets	—	2,161	3	(1,808)	356
Assets held in trust for deferred compensation plans	155	—	—	—	155
Liabilities					
Derivative liabilities	—	2,332	5	(1,345)	992

(dollar amounts in millions)	Fair Value Measurements at Reporting Date Using Level 1	Level 2	Level 3	Netting Adjustments (1)	At December 31, 2021
Assets					
Trading account securities:					
Municipal securities	$ —	$ 46	$ —	$ —	$ 46
Available-for-sale securities:					
U.S. Treasury securities	5	—	—	—	5
Residential CMOs	—	4,649	—	—	4,649
Residential MBS	—	15,508	—	—	15,508
Commercial MBS	—	1,865	—	—	1,865
Other agencies	—	248	—	—	248
Municipal securities	—	49	3,477	—	3,526
Private-label CMO	—	86	20	—	106
Asset-backed securities	—	312	70	—	382
Corporate debt	—	2,167	—	—	2,167
Other securities/sovereign debt	—	4	—	—	4
Total available-for-sale securities	5	24,888	3,567	—	28,460
Other securities	65	7	—	—	72
Loans held for sale	—	1,270	—	—	1,270
Loans held for investment	—	152	19	—	171
MSRs	—	—	351	—	351
Other assets:					
Derivative assets	—	1,055	10	(465)	600
Assets held in trust for deferred compensation plans	156	—	—	—	156
Liabilities					
Derivative liabilities	—	737	6	(624)	119

(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 following tables present a rollforward of the balance sheet amounts measured at fair value 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					
			Available-for-sale securities			
(dollar amounts in millions)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Loans held for investment
Year Ended December 31, 2022						
Opening balance	$ 351	$ 4	$ 3,477	$ 20	$ 70	$ 19
Transfers out of Level 3 (1)	—	(3)	—	—	—	—
Total gains/losses for the period:						
Included in earnings:						
Mortgage banking income	114	(3)	—	—	—	1
Interest and fee income	—	—	(5)	(3)	—	—
Provision for credit losses	—	—	(4)	—	—	—
Included in OCI	—	—	(262)	—	(1)	—
Purchases/originations	85	—	1,087	4	31	—
Repayments	—	—	—	—	—	(4)
Settlements	(56)	—	(1,045)	(1)	(26)	—
Closing balance	$ 494	$ (2)	$ 3,248	$ 20	$ 74	$ 16
Change in unrealized gains or losses for the period included in earnings for assets held at end of the reporting date	$ 114	$ (8)	$ —	$ —	$ —	$ —
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	—	—	(257)	—	(1)	—

	Level 3 Fair Value Measurements					
			Available-for-sale securities			
(dollar amounts in millions)	MSRs	Derivative instruments	Municipal securities	Private-label CMO	Asset-backed securities	Loans held for investment
Year Ended December 31, 2021						
Opening balance	$ 210	$ 41	$ 2,951	$ 9	$ 10	$ 23
Transfers out of Level 3 (1)	—	(132)	—	—	—	—
Total gains/losses for the period:						
Included in earnings:						
Mortgage banking income	27	88	—	—	—	—
Interest and fee income	—	—	(1)	(2)	—	—
Included in OCI	—	—	(46)	—	—	—
Purchases/originations/acquisitions	194	7	1,835	11	115	—
Sales	—	—	(369)	—	—	—
Repayments	—	—	—	—	—	(4)
Settlements	(80)	—	(893)	2	(55)	—
Closing balance	$ 351	$ 4	$ 3,477	$ 20	$ 70	$ 19
Change in unrealized gains or losses for the period included in earnings for assets held at end of the reporting date	$ 27	$ (41)	$ —	$ —	$ —	$ —
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	—	—	(47)	—	—	—

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(dollar amounts in millions)	Level 3 Fair Value Measurements					
			Available-for-sale securities			
	MSRs	Derivative instruments	Municipal securities	Private label CMO	Asset-backed securities	Loans held for investment
Year Ended December 31, 2020						
Opening balance	$ 7	$ 6	$ 2,999	$ 2	$ 48	$ 26
Fair value election for servicing assets previously measured using the amortized method	205	—	—	—	—	—
Transfers out of Level 3 (1)	—	(198)	—	—	—	—
Total gains/losses for the period:						
Included in earnings:						
Mortgage banking income	(104)	233	—	—	—	—
Interest and fee income	—	—	(2)	—	—	—
Included in OCI	—	—	65	—	—	—
Purchases/originations	102	—	623	7	28	—
Repayments	—	—	—	—	—	(3)
Settlements	—	—	(734)	—	(66)	—
Closing balance	$ 210	$ 41	$ 2,951	$ 9	$ 10	$ 23
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	$ (104)	$ 34	$ —	$ —	$ —	$ —
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at the end of the reporting period	—	—	68	—	—	—

(1) Transfers out of Level 3 represent the settlement value of the derivative instruments (i.e., interest rate lock agreements) that are transferred to loans held for sale, which is classified as Level 2.

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:

(dollar amounts in millions)	Total Loans			Loans that are 90 or more days past due		
	Fair value carrying amount	Aggregate unpaid principal	Difference	Fair value carrying amount	Aggregate unpaid principal	Difference
At December 31, 2022						
Assets						
Loans held for sale	$ 520	$ 513	$ 7	$ —	$ —	$ —
Loans held for investment	185	190	(5)	11	11	—
At December 31, 2021						
Assets						
Loans held for sale	$ 1,270	$ 1,237	$ 33	$ —	$ —	$ —
Loans held for investment	171	177	$ (6)	4	4	—

The following table presents the net (losses) gains from fair value changes:

(dollar amounts in millions)	Net (losses) gains from fair value changes Year Ended December 31,		
	2022	2021	2020
Assets			
Loans held for sale (1)	$ (26)	$ (31)	$ 38
Loans held for investment	1	(1)	1

(1) The net (losses) gains from fair value changes are included in Mortgage banking income on the Consolidated Statements of Income.

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. The gains (losses) represent the amounts recorded during the period regardless of whether the asset is still held at period end.

The amounts measured at fair value on a nonrecurring basis were as follows:

	Fair Value Measurements Using Significant Other Unobservable Inputs (Level 3)		Total Gains/(Losses) Year Ended		
(dollar amounts in millions)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2020
Collateral-dependent loans	$ 16	$ 39	$ (1)	$ (4)	$ (43)
Loans held for sale	—	—	—	—	(63)

Huntington records nonrecurring adjustments of collateral-dependent loans held for investment. 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. Periodically, in cases where the carrying value exceeds the fair value of the collateral less cost to sell, an impairment charge is recognized in the form of a charge-off.

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

The following table presents quantitative information about the significant unobservable inputs for assets and liabilities measured at fair value on a recurring and nonrecurring basis:

	Quantitative Information about Level 3 Fair Value Measurements					
			At December 31, 2022(1)		At December 31, 2021(1)	
(dollar amounts in millions)	Valuation Technique	Significant Unobservable Input	Range	Weighted Average	Range	Weighted Average
Measured at fair value on a recurring basis:						
MSRs	Discounted cash flow	Constant prepayment rate	5 % - 40 %	7 %	8 % - 23 %	12 %
		Spread over forward interest rate swap rates	5 % - 13 %	6 %	3 % - 11 %	5 %
Municipal securities and asset-backed securities	Discounted cash flow	Discount rate	5 % - 5 %	5 %	— % - 2 %	1 %
		Cumulative default	— % - 64 %	7 %	— % - 64 %	5 %
		Loss given default	20 % - 20 %	20 %	5 % - 80 %	23 %

(1) Certain disclosures related to quantitative level 3 fair value measurements do not include those deemed to be immaterial.

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.

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.

Fair values of financial instruments

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 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, interest-bearing deposits at the Federal Reserve Bank, and federal funds sold. 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.

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 servicing rights and relationship intangibles are not considered financial instruments and are not included below. Accordingly, this fair value information is not intended to, and does not, represent Huntington's underlying value.

The following table provides the carrying amounts and estimated fair values of Huntington's financial instruments:

(dollar amounts in millions)	Amortized Cost	Lower of Cost or Market	Fair Value or Fair Value Option	Total Carrying Amount	Estimated Fair Value
At December 31, 2022					
Financial Assets					
Cash and short-term assets	$ 6,918	$ —	$ —	$ 6,918	$ 6,918
Trading account securities	—	—	19	19	19
Available-for-sale securities	—	—	23,423	23,423	23,423
Held-to-maturity securities	17,052	—	—	17,052	14,754
Other securities	822	—	32	854	854
Loans held for sale	—	9	520	529	529
Net loans and leases (1)	117,217	—	185	117,402	112,591
Derivative assets	—	—	356	356	356
Assets held in trust for deferred compensation plans	—	—	155	155	155
Financial Liabilities					
Deposits	147,914	—	—	147,914	147,796
Short-term borrowings	2,027	—	—	2,027	2,027
Long-term debt	9,686	—	—	9,686	9,564
Derivative liabilities	—	—	992	992	992
At December 31, 2021					
Financial Assets					
Cash and short-term assets	$ 5,914	$ —	$ —	$ 5,914	$ 5,914
Trading account securities	—	—	46	46	46
Available-for-sale securities	—	—	28,460	28,460	28,460
Held-to-maturity securities	12,447	—	—	12,447	12,489
Other securities	576	—	72	648	648
Loans held for sale	—	406	1,270	1,676	1,621
Net loans and leases (1)	109,066	—	171	109,237	109,695
Derivative assets	—	—	600	600	600
Assets held in trust for deferred compensation plans	—	—	156	156	156
Financial Liabilities					
Deposits	143,263	—	—	143,263	143,574
Short-term borrowings	334	—	—	334	334
Long-term debt	7,108	—	—	7,108	7,319
Derivative liabilities	—	—	119	119	119

(1) Includes collateral-dependent loans.

The following table presents the level in the fair value hierarchy for estimated fair values:

(dollar amounts in millions)	Estimated Fair Value Measurements at Reporting Date Using			Netting	
	Level 1	Level 2	Level 3	Adjustments (1)	Presented Balance
At December 31, 2022					
Financial Assets					
Trading account securities	$ —	$ 19	$ —	$ —	$ 19
Available-for-sale securities	103	19,978	3,342	—	23,423
Held-to-maturity securities	—	14,754	—	—	14,754
Other securities (2)	31	1	—	—	32
Loans held for sale	—	520	9	—	529
Net loans and leases	—	169	112,422	—	112,591
Derivative assets	—	2,161	3	(1,808)	356
Financial Liabilities					
Deposits	—	142,081	5,715	—	147,796
Short-term borrowings	—	2,027	—	—	2,027
Long-term debt	—	8,680	884	—	9,564
Derivative liabilities	—	2,332	5	(1,345)	992
At December 31, 2021					
Financial Assets					
Trading account securities	$ —	$ 46	$ —	$ —	$ 46
Available-for-sale securities	5	24,888	3,567	—	28,460
Held-to-maturity securities	—	12,489	—	—	12,489
Other securities (2)	65	7	—	—	72
Loans held for sale	—	1,270	351	—	1,621
Net loans and leases	—	152	109,543	—	109,695
Derivative assets	—	1,055	10	(465)	600
Financial Liabilities					
Deposits	—	139,047	4,527	—	143,574
Short-term borrowings	—	334	—	—	334
Long-term debt	—	6,441	878	—	7,319
Derivative liabilities	—	737	6	(624)	119

(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.
(2) Excludes securities without readily determinable fair values.

20. DERIVATIVE FINANCIAL INSTRUMENTS

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

Derivative financial instruments can be designated as accounting hedges under GAAP. Designating a derivative as an accounting hedge allows Huntington to recognize gains and losses on the hedging instruments in the income statement line item where the gains and losses on the hedged item are recognized. Gains and losses on derivatives that are not designated in an effective hedge relationship under GAAP immediately impact earnings within the period they occur.

The following table presents the fair values and notional values of all derivative instruments included in the Consolidated Balance Sheets. Amounts in the table below are presented gross without the impact of any net collateral arrangements.

	At December 31, 2022			At December 31, 2021		
(dollar amounts in millions)	Notional Value	Asset	Liability	Notional Value	Asset	Liability
Derivatives designated as Hedging Instruments						
Interest rate contracts	$ 42,461	$ 1,008	$ 1,145	$ 21,306	$ 258	$ 32
Foreign exchange contracts	202	2	—	210	1	—
Derivatives not designated as Hedging Instruments						
Interest rate contracts	37,562	968	1,008	45,286	587	498
Foreign exchange contracts	4,889	68	68	3,524	29	31
Commodities contracts	762	114	113	1,077	178	177
Equity contracts	636	4	3	685	12	5
Total Contracts	$ 86,512	$ 2,164	$ 2,337	$ 72,088	$ 1,065	$ 743

The following table presents the amount of gain or loss recognized in income for derivatives not designated as hedging instruments under ASC Subtopic 815-10 in the Consolidated Income Statement.

		Year Ended December 31,		
(dollar amounts in millions)	Location of Gain or (Loss) Recognized in Income on Derivatives	2022	2021	2020
Interest rate contracts:				
Customer	Capital markets fees	$ 47	$ 50	$ 47
Mortgage banking	Mortgage banking income	(109)	(26)	52
Interest rate floors	Interest and fee income on loans and leases	—	(8)	(2)
Interest rate caps	Interest expense on long-term debt	—	89	5
Foreign exchange contracts	Capital markets fees	45	32	27
Commodities contracts	Capital markets fees	5	3	4
Equity contracts	Other noninterest expense	(9)	(8)	(4)
Total		$ (21)	$ 132	$ 129

Derivatives used in asset and liability management activities

Huntington engages in balance sheet hedging activity, principally for asset and liability management purposes. Balance sheet hedging activity is generally arranged to receive hedge accounting treatment that can be classified as either fair value or cash flow hedges. Fair value hedges are executed to hedge changes in fair value of outstanding fixed-rate debt and investment securities caused by fluctuations in market interest rates. Cash flow hedges are executed to modify interest rate characteristics of designated commercial loans in order to reduce the impact of changes in future cash flows due to market interest rate changes.

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

	At December 31, 2022			
(dollar amounts in millions)	Fair Value Hedges	Cash Flow Hedges	Economic Hedges	Total
Instruments associated with:				
Investment securities	$ 10,407	$ —	$ —	$ 10,407
Loans	—	24,325	175	24,500
Long-term debt	7,729	—	—	7,729
Total notional value at December 31, 2022	$ 18,136	$ 24,325	$ 175	$ 42,636

	At December 31, 2021			
(dollar amounts in millions)	Fair Value Hedges	Cash Flow Hedges	Economic Hedges	Total
Instruments associated with:				
Investment securities	$ 8,228	$ —	$ —	$ 8,228
Loans	—	11,150	271	11,421
Long-term debt	1,928	—	—	1,928
Total notional value at December 31, 2021	$ 10,156	$ 11,150	$ 271	$ 21,577

These derivative financial instruments were entered into for the purpose of managing the interest rate risk of assets and liabilities. 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. Adjustments to interest income were also recorded for the amounts related to the amortization of premiums for swaption collars, floors, and forward-starting floors that were excluded from the hedge effectiveness, changes in the fair value of economic hedges, as well as the amounts related to terminated hedges reclassified from AOCI. The net amounts resulted in an increase to net interest income of $76 million, $337 million, and $239 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Fair Value Hedges

The changes in fair value of the fair value hedges are recorded through earnings and offset against changes in the fair value of the hedged item.

Huntington has designated $9.5 billion of interest rate swaps as fair value hedges of fixed-rate investment securities using the portfolio layer method. This approach allows the Company to designate as the hedged item a stated amount of the assets that are not expected to be affected by prepayments, defaults and other factors affecting the timing and amount of cash flows. The fair value portfolio level basis adjustment on our hedged mortgage-backed securities portfolio has not been attributed to the individual available-for-sale securities in our Consolidated Statements of Financial Condition. Huntington has also designated $869 million of interest rate swaps as fair value hedges of fixed-rate corporate bonds.

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.

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Interest rate contracts			
Change in fair value of interest rate swaps hedging investment securities (1)	$ 875	$ 108	$ 6
Change in fair value of hedged investment securities (1)	(862)	(114)	3
Change in fair value of interest rate swaps hedging long-term debt (2)	(300)	(184)	113
Change in fair value of hedged long term debt (2)	300	187	(118)

(1) Recognized in Interest income—available-for-sale securities—taxable in the Consolidated Statements of Income
(2) Recognized in Interest expense - long-term debt in the Consolidated Statements of Income

The following amounts were recorded on the balance sheet related to cumulative basis adjustments for fair value hedges.

	Amortized Cost			Cumulative Amount of Fair Value Hedging Adjustment To Hedged Items			
	At December 31,			At December 31,			
(dollar amounts in millions)	2022		2021	2022		2021	
Assets							
Investment securities (1)	$	18,029	$	17,150	$	(979)	$	(117)
Liabilities							
Long-term debt (2)		7,175		1,981		(256)		45

(1) Amounts include the amortized cost basis of closed portfolios used to designate hedging relationships under the portfolio layer method. The hedged item is a layer of the closed portfolio which is expected to be remaining at the end of the hedging relationship. As of December 31, 2022, the amortized cost basis of the closed portfolios used in these hedging relationships was $17.2 billion, the cumulative basis adjustments associated with these hedging relationships was $849 million and represented a reduction to the amortized cost, and the amounts of the designated hedging instruments were $9.5 billion.

(2) Excluded from the above table are the cumulative amount of fair value hedge adjustments remaining for long-term debt for which hedge accounting has been discontinued in the amounts of $(70) million at December 31, 2022 and $17 million at December 31, 2021.

Cash Flow Hedges

At December 31, 2022, Huntington had $24.3 billion of interest rate swaps and swaption collars. These are designated as cash flow hedges for variable rate commercial loans. The change in the fair value of a derivative instrument designated as a cash flow hedge is initially recognized in OCI and is reclassified into income when the hedged item impacts earnings. The initial premium paid for the interest rate swaption collar contracts represents the time value of the contracts and is not included in the measurement of hedge effectiveness. Any change in fair value related to time value is recognized in OCI. The initial premium paid is amortized on a straight line basis as a reduction to interest income over the contractual life of these contracts.

Gains and (losses) on interest rate floors, floor spreads, and swaps recognized in other comprehensive income (loss) after-tax were $(695) million and $(192) million for the year ended December 31, 2022 and December 31, 2021, respectively.

At December 31, 2022, the net gains recognized in AOCI that are expected to be reclassified into earnings within the next 12 months were $10 million.

Derivatives used in mortgage banking activities

Mortgage loan origination hedging activity

Huntington's mortgage origination hedging activity is related to economically hedging Huntington's mortgage pricing commitments to customers and the secondary sale to third parties. The value of a newly originated mortgage is not firm until the interest rate is committed or locked. Forward commitments to sell economically hedge the possible loss on interest rate lock commitments due to interest rate change. The position of these derivatives was a net liability of $3 million and a net asset of $15 million at December 31, 2022 and December 31, 2021, respectively. At December 31, 2022 and December 31, 2021, Huntington had commitments to sell residential real estate loans of $766 million and $2.1 billion, respectively. These contracts mature in less than one year.

MSR hedging activity

Huntington's MSR economic hedging activity uses securities and derivatives to manage the value of the MSR asset and to mitigate the various types of risk inherent in the MSR asset, including risks related to duration, basis, convexity, volatility, and yield curve. The hedging instruments include forward commitments, TBA securities, Treasury futures contracts, interest rate swaps, and options on interest rate swaps.

MSR hedging trading assets and liabilities are included in other assets and other liabilities, respectively, in the Consolidated Balance Sheets. Trading (losses) gains are included in mortgage banking income in the Consolidated Statement of Income. The notional value of the derivative financial instruments, the corresponding trading assets and liabilities positions, and net trading (losses) gains related to MSR hedging activity is summarized in the following table:

	At December 31,	
(dollar amounts in millions)	2022	2021
Notional value	$ 1,120	$ 1,330
Trading assets	4	19
Trading liabilities	(78)	—

	Year December 31,		
(dollar amounts in millions)	2022	2021	2020
Trading (losses) gains	$ (109)	$ (26)	$ 52

Derivatives used in customer related 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 customer related activities consist of commodity, interest rate, and foreign exchange contracts. Huntington enters 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 customer related activities.

The interest rate or price risk of 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. Commodity derivatives help the customer hedge risk and reduce exposure to fluctuations in the price of various commodities. Hedging of energy-related products and base metals comprise the majority of these transactions.

The net fair values of these derivative financial instruments, for which the gross amounts are included in other assets or other liabilities at December 31, 2022 and December 31, 2021, were $59 million and $51 million, respectively. The total notional values of derivative financial instruments used by Huntington on behalf of customers, including offsetting derivatives, were $40.7 billion and $45.1 billion at December 31, 2022 and December 31, 2021, respectively. Huntington’s credit risk from customer derivatives was $118 million and $551 million at the same dates, respectively.

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

Huntington records derivatives at fair value as further described in Note 19 “Fair Values of Assets and Liabilities.”

Derivative balances are presented on a net basis taking into consideration the effects of legally enforceable master netting agreements. Additionally, 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 collateral and master netting agreements with these counterparties, and routinely exchanges cash and high quality securities collateral. 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 enters into master netting agreements with customer counterparties; however, collateral is generally not exchanged with customer counterparties.

In addition to the customer derivative credit exposure, aggregate credit risk associated with broker-dealer and bank derivative transactions, net of collateral that has been pledged by the counterparty, was $227 million and $44 million at December 31, 2022 and December 31, 2021, respectively. The credit risk associated with derivatives is calculated after considering master netting agreements and is reduced by collateral that has been pledged by the counterparty.

At December 31, 2022, Huntington pledged $236 million of investment securities and cash collateral to counterparties, while other counterparties pledged $574 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 Consolidated Balance Sheets.

Offsetting of Financial Assets and Derivative Assets

				Gross amounts not offset in the consolidated balance sheets		
(dollar amounts in millions)	Gross amounts of recognized assets	Gross amounts offset in the consolidated balance sheets	Net amounts of assets presented in the consolidated balance sheets	Financial instruments	Cash collateral received	Net amount
At December 31, 2022	$ 2,164	$ (1,808)	$ 356	$ (7)	$ (56)	$ 293
At December 31, 2021	1,065	(465)	600	(65)	(31)	504

Offsetting of Financial Liabilities and Derivative Liabilities

				Gross amounts not offset in the consolidated balance sheets		
(dollar amounts in millions)	Gross amounts of recognized liabilities	Gross amounts offset in the consolidated balance sheets	Net amounts of liabilities presented in the consolidated balance sheets	Financial instruments	Cash collateral delivered	Net amount
At December 31, 2022	$ 2,337	$ (1,345)	$ 992	$ (79)	$ (118)	$ 795
At December 31, 2021	743	(624)	119	(3)	(116)	—

21. Variable Interest Entities

Unconsolidated VIEs

The following tables provide a summary of the assets and liabilities included in Huntington's 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 in, but is not the primary beneficiary of, the VIE.

	At December 31, 2022		
(dollar amounts in millions)	Total Assets	Total Liabilities	Maximum Exposure to Loss
Affordable Housing Tax Credit Partnerships	$ 2,036	$ 1,260	$ 2,036
Trust Preferred Securities	14	248	—
Other Investments	522	141	522
Total	$ 2,572	$ 1,649	$ 2,558

	At December 31, 2021		
(dollar amounts in millions)	Total Assets	Total Liabilities	Maximum Exposure to Loss
Affordable Housing Tax Credit Partnerships	$ 1,652	$ 949	$ 1,652
Trust Preferred Securities	14	248	—
Other Investments	484	146	484
Total	$ 2,150	$ 1,343	$ 2,136

Trust-Preferred Securities

Huntington has certain trusts whose assets, liabilities, equity, income, and expenses are not included within Huntington's 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 Consolidated Balance Sheet as long-term debt. Refer to Note 11 "Borrowings" for the outstanding amount of debentures issued to each trust and corresponding trust securities. The trust securities are the obligations of the trusts, and as such, are not consolidated within Huntington's Consolidated Financial Statements.

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.

Affordable Housing Tax Credit Partnerships

Huntington makes certain equity investments in various limited partnerships that sponsor affordable housing projects utilizing the 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 uses the proportional amortization method to account for a majority of its investments in these entities. These investments are included in other assets. Investments that do not meet the requirements of the proportional amortization method are accounted for using the equity method. Investment losses are included in Other noninterest income in the Consolidated Statements of Income.

The following table presents the balances of Huntington's affordable housing tax credit investments and related unfunded commitments.

	At December 31,	
(dollar amounts in millions)	2022	2021
Affordable housing tax credit investments	$ 2,891	$ 2,376
Less: amortization	(855)	(724)
Net affordable housing tax credit investments	$ 2,036	$ 1,652
Unfunded commitments	$ 1,260	$ 949

The following table presents other information relating to Huntington's affordable housing tax credit investments.

	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Tax credits and other tax benefits recognized	$ 203	$ 144	$ 113
Proportional amortization expense included in provision for income taxes	170	126	97

There was no impairment recognized for the years ended December 31, 2022 and 2021, and 2020.

Other Investments

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

22. 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 Consolidated Financial Statements. The contract amounts of these financial agreements were as follows:

	At December 31,	
(dollar amounts in millions)	2022	2021
Contract amount representing credit risk		
Commitments to extend credit:		
Commercial	$ 32,500	$ 27,933
Consumer	19,064	18,513
Commercial real estate	3,393	3,042
Standby letters of credit and guarantees on industrial revenue bonds	714	694
Commercial letters of credit	15	36

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. Collateral to secure any funding of these commitments predominately consists of residential and commercial real estate mortgage loans.

Standby letters of credit and guarantees on industrial revenue bonds 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. Since the conditions under which Huntington is required to fund these commitments may not materialize, the cash requirements are expected to be less than the total outstanding commitments. The carrying amount of deferred revenue associated with these guarantees was $27 million and $7 million at December 31, 2022 and December 31, 2021, respectively.

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 secure these instruments.

Litigation and Regulatory Matters

In the ordinary course of business, Huntington is or may be a defendant in or party to pending and threatened legal and regulatory actions and proceedings.

In view of the inherent difficulty of predicting the outcome of such matters, particularly where the claimants seek very large or indeterminate damages or where the matters present novel legal theories or involve a large number of parties, Huntington generally cannot predict what the eventual outcome of the pending matters will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines, or penalties related to each matter may be.

Huntington establishes an accrued liability when those matters present loss contingencies that are both probable and estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. Huntington thereafter continues to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established.

For certain matters, Huntington is able to estimate a range of possible loss. In cases in which Huntington possesses information to estimate a range of possible loss, that estimate is aggregated and disclosed below. There may be other matters for which a loss is probable or reasonably possible but such an estimate of the range of possible loss may not be possible. For those matters where an estimate of the range of possible loss is possible, management currently estimates the aggregate range of reasonably possible loss is $0 to $10 million at December 31, 2022 in excess of the accrued liability (if any) related to those matters. This estimated range of possible loss is based upon currently available information and is subject to significant judgment, a variety of assumptions, and known and unknown uncertainties. The matters underlying the estimated range will change from time to time, and actual results may vary significantly from the current estimate. The estimated range of possible loss does not represent Huntington's maximum loss exposure.

Based on current knowledge, management does not believe that loss contingencies arising from pending matters will have a material adverse effect on the consolidated financial position of Huntington. Further, management believes that amounts accrued are adequate to address Huntington's contingent liabilities. However, in light of the inherent uncertainties involved in these matters, some of which are beyond Huntington's control, and the large or indeterminate damages sought in some of these matters, an adverse outcome in one or more of these matters could be material to Huntington's results of operations for any particular reporting period.

23. OTHER REGULATORY MATTERS

Huntington and the Bank are subject to certain risk-based capital and leverage ratio requirements under the U.S. Basel III capital rules adopted by the Federal Reserve, for Huntington, and by the OCC, for the Bank. These rules implement the Basel III international regulatory capital standards in the United States, as well as certain provisions of the Dodd-Frank Act. These quantitative calculations are minimums, and the Federal Reserve and OCC may determine that a banking organization, based on its size, complexity, or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner. Under the U.S. Basel III capital rules, Huntington's and the Bank's assets, exposures and certain off-balance sheet items are subject to risk weights used to determine the institutions' risk-weighted assets.

Failure to be well-capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on our operations or financial condition. Failure to be well-capitalized or to meet minimum capital requirements could also result in restrictions on Huntington's or the Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval of applications.

In addition to meeting the minimum capital requirements, under the U.S. Basel III capital rules Huntington and the Bank must also maintain the applicable capital buffer requirements, SCB or CCB, to avoid becoming subject to restrictions on capital distributions and certain discretionary bonus payments to management.

As of December 31, 2022, Huntington's and the Bank's regulatory capital ratios were above the well-capitalized standards and met the applicable capital buffer requirements. Please refer to the table below for a summary of Huntington's and the Bank's regulatory capital ratios.

(dollar amounts in millions)		Minimum Regulatory Capital Ratios	Minimum Ratio+ Capital Buffer (1) At December 31, 2022	Minimum Ratio+ Capital Buffer (1) At December 31, 2021	Well-Capitalized Minimums	Basel III At December 31, 2022 Ratio	Basel III At December 31, 2022 Amount	Basel III At December 31, 2021 Ratio	Basel III At December 31, 2021 Amount
CET1 risk-based capital	Consolidated	4.50 %	7.80 %	7.00 %	N/A	9.36 %	$ 13,290	9.33 %	$ 12,249
	Bank	4.50	7.00	7.00	6.50 %	9.98	14,133	10.15	13,261
Tier 1 risk-based capital	Consolidated	6.00	9.30	8.50	6.00	10.90	15,467	10.99	14,426
	Bank	6.00	8.50	8.50	8.00	10.83	15,334	11.06	14,445
Total risk-based capital	Consolidated	8.00	11.30	10.50	10.00	13.09	18,573	13.14	17,246
	Bank	8.00	10.50	10.50	10.00	12.47	17,647	12.58	16,427
Tier 1 leverage	Consolidated	4.00	N/A	N/A	N/A	8.60	15,467	8.56	14,426
	Bank	4.00	N/A	N/A	5.00	8.54	15,334	8.60	14,445

(1) The SCB, applicable to Huntington, was 3.3% and 2.5% at December 31, 2022 and December 31, 2021, respectively. The CCB, applicable to the Bank, was 2.5% at both December 31, 2022 and December 31, 2021.

Huntington and its subsidiaries are also subject to various regulatory requirements that impose restrictions on cash, debt, and dividends. The Bank is required to maintain cash reserves based on the level of certain of its deposits. This reserve requirement may be met by holding cash in banking offices or on deposit at the Federal Reserve Bank. At December 31, 2022, the balance of these deposits was $4.9 billion.

Under current Federal Reserve regulations, the Bank is limited as to the amount and type of loans it may make to the parent company and nonbank subsidiaries. At December 31, 2022, the Bank could lend $1.8 billion to a single affiliate, subject to the qualifying collateral requirements defined in the regulations.

Dividends from the Bank are one of the major sources of funds for the Company. These funds aid the Company in the payment of dividends to shareholders, expenses, and other obligations. Payment of dividends and/or return of capital to the parent company is subject to various legal and regulatory limitations. Also, there are statutory and regulatory limitations on the ability of national banks to pay dividends or make other capital distributions.

24. PARENT-ONLY FINANCIAL STATEMENTS

The parent-only financial statements, which include transactions with subsidiaries, are as follows:

Balance Sheets

(dollar amounts in millions)	At December 31, 2022	At December 31, 2021
Assets		
Cash and due from banks	$ 3,525	$ 2,832
Due from The Huntington National Bank	969	297
Due from non-bank subsidiaries	25	35
Investment in The Huntington National Bank	17,384	19,297
Investment in non-bank subsidiaries	242	217
Accrued interest receivable and other assets	664	544
Total assets	$ 22,809	$ 23,222
Liabilities and shareholders' equity		
Long-term borrowings	$ 3,980	$ 3,111
Dividends payable, accrued expenses, and other liabilities	1,098	815
Total liabilities	5,078	3,926
Shareholders' equity (1)	17,731	19,296
Total liabilities and shareholders' equity	$ 22,809	$ 23,222

(1) See Consolidated Statements of Changes in Shareholders' Equity.

Statements of Income

(dollar amounts in millions)	Year Ended December 31, 2022	2021	2020
Income			
Dividends from:			
The Huntington National Bank	$ 1,566	$ 1,394	$ 1,527
Non-bank subsidiaries	19	19	36
Interest from:			
The Huntington National Bank	16	3	4
Non-bank subsidiaries	1	1	1
Other	(1)	—	11
Total income	1,601	1,417	1,579
Expense			
Personnel costs	8	6	17
Interest on borrowings	107	60	115
Other	169	230	123
Total expense	284	296	255
Income before income taxes and equity in undistributed net income of subsidiaries	1,317	1,121	1,324
Provision (benefit) for income taxes	(44)	(56)	(46)
Income before equity in undistributed net income of subsidiaries	1,361	1,177	1,370
Increase (decrease) in undistributed net income (loss) of:			
The Huntington National Bank	853	97	(547)
Non-bank subsidiaries	24	21	(6)
Net income	$ 2,238	$ 1,295	$ 817
Other comprehensive (loss) income (1)	(2,869)	(421)	448
Comprehensive (loss) income	$ (631)	$ 874	$ 1,265

(1) See Consolidated Statements of Comprehensive Income for other comprehensive (loss) income detail.

Statements of Cash Flows	Year Ended December 31,		
(dollar amounts in millions)	2022	2021	2020
Operating activities			
Net income	$ 2,238	$ 1,295	$ 817
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed net income of subsidiaries	(877)	(118)	553
Depreciation and amortization	(22)	23	—
Other, net	(55)	(217)	89
Net cash provided by operating activities	1,284	983	1,459
Investing activities			
Repayments from subsidiaries	14	8	8
Advances to subsidiaries	(503)	(59)	(256)
(Purchases)/Proceeds from sale of securities	(20)	(28)	(1)
Net cash received from business combination	(194)	248	—
Other, net	(1)	—	—
Net cash (used for) provided by investing activities	(704)	169	(249)
Financing activities			
Net proceeds from issuance of medium-term notes	1,144	513	747
Payment of long-term debt	—	(1,508)	(800)
Dividends paid on common and preferred stock	(1,010)	(888)	(698)
Repurchases of common stock	—	(650)	(92)
Net proceeds from issuance of preferred stock	—	486	988
Payment to repurchase preferred stock	—	(700)	—
Other, net	(21)	(39)	(8)
Net cash provided by (used for) financing activities	113	(2,786)	137
Increase (decrease) in cash and cash equivalents	693	(1,634)	1,347
Cash and cash equivalents at beginning of year	2,832	4,466	3,119
Cash and cash equivalents at end of year	$ 3,525	$ 2,832	$ 4,466
Supplemental disclosure:			
Interest paid	$ 89	$ 71	$ 113

25. SEGMENT REPORTING

Huntington’s business segments are based on our internally-aligned segment leadership structure, which is how management monitors results and assesses performance. The Company has four major business segments: Commercial Banking, Consumer and Business Banking, Vehicle Finance, Regional Banking and The Huntington Private Client Group (RBHPCG). The Treasury / Other function includes technology and operations, other unallocated assets, liabilities, revenue, and expense.

Business segment results are determined based upon Huntington’s management reporting system, which assigns balance sheet and income statement items to each of the business segments. The process is designed around the organizational and management structure and, accordingly, the results derived are not necessarily comparable with similar information published by other financial institutions. Additionally, because of the interrelationships of the various segments, the information presented is not indicative of how the segments would perform if they operated as independent entities.

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.

The management 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 four business segments from Treasury / Other. Huntington utilizes a full-allocation methodology, where all Treasury / Other expenses, except reported acquisition-related net expenses, if any, and a small amount of other residual unallocated expenses, are allocated to the four business segments.

The management policies and processes utilized in compiling segment financial information are highly subjective and, unlike financial accounting, are not based on authoritative guidance similar to GAAP. As a result, reported segment results are not necessarily comparable with similar information reported by other financial institutions. Furthermore, changes in management structure or allocation methodologies and procedures result in changes in reported segment financial data. Accordingly, certain amounts have been reclassified to conform to the current period presentation.

Huntington uses an active and centralized FTP methodology to attribute appropriate net interest 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).

Commercial Banking - The Commercial Banking segment provides expertise through bankers, capabilities, and digital channels, which include a comprehensive set of product offerings. Our target clients span from mid-market to large corporate (greater than $2 billion in revenue) across a national footprint. The Commercial Banking segment leverages internal partnerships for wealth management, trust, insurance, payments, and treasury management capabilities. The segment is divided into five business units: (1) Middle Market Banking, (2) Corporate, Specialty, and Government Banking, (3) Asset Finance, (4) Commercial Real Estate Banking, and (5) Capital Markets.

Consumer and Business Banking - The Consumer and Business Banking segment provides a wide array of financial products and services to consumer and small business customers including, but not limited to, checking accounts, savings accounts, money market accounts, CDs, investments, consumer loans, credit cards, and small business loans. Other financial services available to customers include mortgages, insurance, interest rate risk protection, foreign exchange, and treasury management. Business Banking is defined as serving companies with revenues up to $20 million. Consumer and Business Banking also supports origination and servicing of consumer loans and mortgages for customers who are generally located in our primary banking markets across all segments.

Vehicle Finance - Our products and services include providing financing to consumers for the purchase of automobiles, light-duty trucks, recreational vehicles, marine craft, and powersports at franchised and other select dealerships, and providing financing to franchised dealerships for the acquisition of new and used inventory. Products and services are delivered through highly specialized relationship-focused bankers and product partners.

Regional Banking and The Huntington Private Client Group- The core business of The Huntington Private Client Group is The Huntington Private Bank, which consists of Private Banking, Wealth & Investment Management, and Retirement Plan Services. The Huntington Private Bank provides high net-worth customers with deposit, lending (including specialized lending options), and banking services. The Huntington Private Bank also delivers wealth management and legacy planning through investment and portfolio management, fiduciary administration, and trust services. This group also provides retirement plan services to corporate businesses. The Huntington Private Client Group provides corporate trust services and institutional and mutual fund custody services.

Listed in the table below is certain operating basis financial information reconciled to Huntington's, reported results by business segment.

Income Statements (dollar amounts in millions)	Commercial Banking	Consumer & Business Banking	Vehicle Finance	RBHPCG	Treasury / Other	Huntington Consolidated
Year Ended December 31, 2022						
Net interest income	$ 1,879	$ 2,577	$ 477	$ 232	$ 108	$ 5,273
Provision for credit losses	28	161	83	17	—	289
Noninterest income	670	1,017	13	239	42	1,981
Noninterest expense	1,061	2,434	165	320	221	4,201
Provision (benefit) for income taxes	307	210	51	28	(81)	515
Income attributable to non-controlling interest	10	—	—	—	1	11
Net income attributable to Huntington Bancshares Inc	$ 1,143	$ 789	$ 191	$ 106	$ 9	$ 2,238
Year Ended December 31, 2021						
Net interest income	$ 1,284	$ 1,667	$ 468	$ 159	$ 524	$ 4,102
Provision for credit losses	4	91	(86)	16	—	25
Noninterest income	523	1,045	13	227	81	1,889
Noninterest expense	791	2,231	163	300	890	4,375
Provision (benefit) for income taxes	212	82	85	15	(100)	294
Income attributable to non-controlling interest	2	—	—	—	—	2
Net income attributable to Huntington Bancshares Inc	$ 798	$ 308	$ 319	$ 55	$ (185)	$ 1,295
Year Ended December 31, 2020						
Net interest income	$ 903	$ 1,436	$ 430	$ 160	$ 295	$ 3,224
Provision for credit losses	626	265	146	11	—	1,048
Noninterest income	364	945	9	201	72	1,591
Noninterest expense	542	1,774	141	243	95	2,795
Provision for income taxes	21	72	32	22	8	155
Net income	$ 78	$ 270	$ 120	$ 85	$ 264	$ 817

	Assets at December 31,		Deposits at December 31,	
(dollar amounts in millions)	2022	2021	2022	2021
Commercial Banking	$ 63,812	$ 57,071	$ 37,509	$ 31,845
Consumer & Business Banking	38,561	39,929	93,676	95,352
Vehicle Finance	21,461	20,752	1,136	1,401
RBHPCG	10,045	8,325	9,550	10,162
Treasury / Other	49,027	47,987	6,043	4,503
Total	$ 182,906	$ 174,064	$ 147,914	$ 143,263

Item 9: Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A: 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 (the Exchange Act), 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 December 31, 2022. Based upon such evaluation, Huntington's Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2022, Huntington's disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

Information required by this item is set forth in the Report of Management's Assessment of Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Item 9B: Other Information

Not applicable.

Item 9C: Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

We refer in Part III of this report to relevant sections of our 2023 Proxy Statement for the 2023 Annual Meeting of shareholders, which will be filed with the SEC pursuant to Regulation 14A within 120 days of the close of our 2022 fiscal year. Portions of our 2023 Proxy Statement, including the sections we refer to in this report, are incorporated by reference into this report.

Item 10: Directors, Executive Officers, and Corporate Governance

Information required by this item is set forth under the captions Election of Directors, Our Executive Officers, Family Relationships, Delinquent Section 16(a) Reports, Codes of Ethics, Proposals by Shareholders for the 2024 Annual Meeting, Recommendations for Directorship, and Board Committee Information of our 2023 Proxy Statement, which is incorporated by reference into this item.

Item 11: Executive Compensation

Information required by this item is set forth under the captions Compensation of Executive Officers and Compensation of Directors of our 2023 Proxy Statement, which is incorporated by reference into this item.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information about Huntington common stock authorized for issuance under Huntington's existing equity compensation plans as of December 31, 2022.

Plan Category (1)	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (2)(3) (a)	Weighted-average exercise price of outstanding options, warrants, and rights (4) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (5) (c)
Equity compensation plans approved by security holders	38,998,458	$ 4.07	20,602,866
Equity compensation plans not approved by security holders	—	—	—
Total	38,998,458	$ 4.07	20,602,866

(1) All equity compensation plan authorizations for shares of common stock provide for the number of shares to be adjusted for stock splits, stock dividends, and other changes in capitalization. The Huntington 401(k) Plan, a broad-based plan qualified under Internal Revenue Code Section 401(a) which includes Huntington common stock as one of a number of investment options available to participants, is excluded from the table.

(2) The numbers in this column (a) reflect shares of common stock to be issued upon exercise of outstanding stock options and the vesting of outstanding awards of RSAs, RSUs, and PSUs, and the release of DSUs.

(3) As of December 31, 2022, an additional 2,274,680 common shares, at a weighted-average exercise price of $3.32, are to be issued upon exercise or vesting under the TCF Incentive Plan, which was assumed in the acquisition of TCF, is no longer active, and for which Huntington has not reserved the right to make subsequent grants or awards.

(4) The weighted-average exercise prices in this column are based on outstanding options and do not take into account unvested awards of RSAs, RSUs and PSUs and unreleased DSUs as these awards do not have an exercise price.

(5) The number of shares in this column (c) reflects the number of shares remaining available for future issuance under Huntington's 2018 Plan, excluding shares reflected in column (a). The number of shares in this column (c) does not include shares of common stock to be issued under the following compensation plans: the Executive Deferred Compensation Plan, which provides senior officers designated by the Human Resources and Compensation Committee the opportunity to defer up to 90% of base salary, annual bonus compensation and certain equity awards, and up to 90% of long-term incentive awards; the Supplemental Plan under which voluntary participant contributions made by payroll deduction are used to purchase shares; the Deferred Compensation for Huntington Bancshares Incorporated Directors under which directors may defer their director compensation and such amounts may be invested in shares of common stock; and the Deferred Compensation Plan for directors (now inactive) under which directors of selected subsidiaries may defer their director compensation and such amounts may be invested in shares of Huntington common stock. These plans do not contain a limit on the number of shares that may be issued under them.

The information related to item 403 of regulation S-K is set forth under the caption Ownership of Voting Stock of our 2023 Proxy Statement, which is incorporated by reference into this item.

Item 13: Certain Relationships and Related Transactions, and Director Independence

Information required by this item is set forth under the captions Review, Approval, or Ratification of Transactions with Related Persons and Independence of Directors of our 2023 Proxy Statement, which are incorporated by reference into this item.

Item 14: Principal Accounting Fees and Services

Information required by this item is set forth under the caption Audit Matters of our 2023 Proxy Statement which is incorporated by reference into this item.

PART IV

Item 15: Exhibits and Financial Statement Schedules

Financial Statements and Financial Statement Schedules

Our consolidated financial statements required in response to this Item are incorporated by reference from Item 8 of this Report.

Exhibits

Our exhibits listed on the Exhibit Index of this Form 10-K are filed with this Report or are incorporated herein by reference.

Item 16: 10-K Summary

Not applicable.

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.

The SEC 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 free of charge at our Internet web site. The address of the site is *http://www.huntington.com*. Except as specifically incorporated by reference into this Annual Report on Form 10-K, 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 10004.

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference
2.1	Agreement and Plan of Merger, dated as of December 13, 2020, by and between Huntington Bancshares Incorporated and TCF Financial Corporation	Current Report on Form 8-K dated December 17, 2020.	001-34073	2.1
3.1	Articles Supplementary of Huntington Bancshares Incorporated, as of January 18, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.1
3.2	Articles of Restatement of Huntington Bancshares Incorporated, as of January 18, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.2
3.3	Bylaws of Huntington Bancshares Incorporated, as amended and restated on January 16, 2019.	Current Report on Form 8-K dated January 16, 2019.	001-34073	3.3
3.4	Articles Supplementary of Huntington Bancshares Incorporated, as of February 5, 2021.	Current Report on Form 8-K dated February 5, 2021	001-34073	3.1
3.5	Articles Supplementary of Huntington Bancshares Incorporated, as of August 5, 2020.	Current Report on Form 8-K dated August 5, 2020.	001-34073	3.1
3.6	Articles Supplementary of Huntington Bancshares Incorporated, as of May 28, 2020.	Current Report on Form 8-K dated May 28, 2020	001-34073	3.1
3.7	Articles Supplementary of Huntington Bancshares Incorporated, as of June 8, 2021	Current Report on Form 8-K dated June 8, 2021	001-34073	3.1
3.8	Articles of Amendment of Huntington Bancshares Incorporated to Articles of Restatement of Huntington Bancshares Incorporated, as of June 8, 2021	Current Report on Form 8-K dated June 8, 2021	001-34073	3.2
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.			
4.2	Description of Securities	Annual Report on Form 10-K for the year ended December 31, 2021.	001-34073	4.2
10.1	* Form of Executive Agreement for certain executive officers.	Current Report on Form 8-K, dated November 28, 2012.	001-34073	10.3
10.2(P)	* Deferred Compensation Plan and Trust for Directors	Post-Effective Amendment No. 2 to Registration Statement on Form S-8 filed on January 28, 1991.	33-10546	4(a)
10.3	* The Huntington Supplemental Stock Purchase and Tax Savings Plan and Trust, amended and restated, effective January 1, 2014.	Annual Report on Form 10-K for the year ended December 31, 2013.	001-34073	10.8
10.4	* Form of Employment Agreement between Stephen D. Steinour and Huntington Bancshares Incorporated effective December 1, 2012.	Current Report on Form 8-K dated November 28, 2012.	001-34073	10.1
10.5	* Form of Executive Agreement between Stephen D. Steinour and Huntington Bancshares Incorporated effective December 1, 2012.	Current Report on Form 8-K dated November 28, 2012.	001-34073	10.2
10.6	* Restricted Stock Unit Deferral Agreement.	Current Report on Form 8-K dated July 24, 2006.	000-02525	99.3
10.7	* Director Deferred Stock Award Notice.	Current Report on Form 8-K dated July 24, 2006.	000-02525	99.4
10.8	* Huntington Bancshares Incorporated 2007 Stock and Long-Term Incentive Plan.	Definitive Proxy Statement for the 2007 Annual Meeting of Stockholders.	000-02525	G
10.9	* Second Amendment to the 2007 Stock and Long-Term Incentive Plan.	Definitive Proxy Statement for the 2010 Annual Meeting of Shareholders.	001-34073	A
10.10	* Form of Consolidated 2012 Stock Grant Agreement for Executive Officers Pursuant to Huntington's 2012 Long-Term Incentive Plan.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2012.	001-34073	10.2

10.11	* Form of 2014 Stock Option Grant Agreement for Executive Officers.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.	001-34073	10.2
10.12	* Form of 2014 Performance Stock Unit Grant Agreement for Executive Officers.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.	001-34073	10.3
10.13	* Form of 2014 Restricted Stock Unit Grant Agreement for Executive Officers Version II.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.	001-34073	10.4
10.14	* Form of 2014 Stock Option Grant Agreement for Executive Officers Version II.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.	001-34073	10.5
10.15	*Huntington Bancshares Incorporated 2012 Long-Term Incentive Plan.	Definitive Proxy Statement for the 2012 Annual Meeting of Shareholders.	001-34073	A
10.16	*Huntington Bancshares Incorporated 2015 Long-Term Incentive Plan.	Definitive Proxy Statement for the 2015 Annual Meeting of Shareholders.	001-34073	A
10.17	*Form of 2015 Stock Option Grant Agreement.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.	001-34073	10.2
10.18	*Form of 2015 Restricted Stock Unit Grant Agreement.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.	001-34073	10.3
10.19	*Huntington Bancshares Incorporated Restricted Stock Unit Grant Agreement.	Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.	001-34073	10.1
10.20	* Amended and Restated Deferred Compensation Plan and Trust for Huntington Bancshares Incorporated Directors	Annual Report on Form 10-K for the year ended December 31, 2017.	001-34073	10.33
10.21	* First Amendment to the 2015 Long-Term Incentive Plan	Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.	001-34073	10.1
10.22	*Huntington Bancshares Incorporated Amended and Restated 2018 Long-Term Incentive Plan.	Annual Report on Form 10-K for the year ended December 31, 2021.	001-34073	10.22
10.23	*Form of 2018 Stock Option Grant Agreement.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.	001-34073	10.2
10.24	*Form of 2018 Restricted Stock Unit Agreement.	Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.	001-34073	10.3
10.25	*Executive Deferred Compensation Plan,amended as of January 18, 2022.	Annual Report on Form 10-K for the year ended December 31, 2021.	001-34073	10.25
10.26	*Huntington Supplemental 401(k) Plan (f/k/a Huntington Supplemental Stock Purchase and Savings Plan and Trust), as amended and restated effective January 1, 2019.	Annual Report on Form 10-K for the year ended December 31, 2018.	001-34073	10.40
10.27	Transition Agreement dated May 13, 2019, by and between The Huntington National Bank and Howell D. McCullough	Current Report on Form 8-K, dated May 13, 2019.	001-34073	10.1
10.28	*Second Amendment to Huntington Supplemental 401(k) Plan dated October 22, 2019.	Quarterly Report on Form 10-Q for the quarter ended September 30, 2019.	001-34073	10.1
10.29	*First Amendment to The Huntington National Bank Supplemental Retirement Income Plan dated October 23, 2019.	Quarterly Report on Form 10-Q for the quarter ended September 30, 2019.	001-34073	10.2
10.30	*Management Incentive Plan effective for Plan Years Beginning On or After January 1, 2020.	Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.	001-34073	10.1
10.31	*Letter Agreement dated December 13, 2020, by and between Huntington Bancshares Incorporated and Gary Torgow.	Annual Report on Form 10-K for the year ended December 31, 2021.	001-34073	10.31
10.32	*Letter Agreement dated February 2, 2021, by and between Huntington Bancshares Incorporated and Michael Jones.	Annual Report on Form 10-K for the year ended December 31, 2021.	001-34073	10.32
10.33	*Letter Agreement dated February 4, 2021, by and between Huntington Bancshares Incorporated and Thomas C. Shafer.	Annual Report on Form 10-K for the year ended December 31, 2021.	001-34073	10.33
10.34	*Form of Restricted Stock Unit Agreement pursuant to the Stock Incentive Plan of 2019 for Time-Based Restricted Stock Units.	TCF Financial Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.	001-39009	10(d)
10.35	*Form of Restricted Stock Unit Agreement pursuant to the Stock Incentive Plan of 2019 for Performance-Based Restricted Stock Units.	TCF Financial Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.	001-39009	10(e)
10.36	*Form of Restricted Stock Unit Agreement pursuant to the TCF Financial 2015 Omnibus Incentive Plan for Time-Based Restricted Stock Units.	TCF Financial Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.	001-39009	10(i)
10.37	*Form of Restricted Stock Unit Agreement pursuant to the TCF Financial 2015 Omnibus Incentive Plan for Performance-Based Restricted Stock Units.	TCF Financial Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.	001-39009	10(j)
10.38	*Amended and Restated TCF Financial 2015 Omnibus Incentive Plan.	TCF Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2018.	001-10253	10(a)
10.39	*Stock Incentive Plan of 2019.	TCF Definitive Proxy Statement for the 2019 Annual Meeting of Shareholders.	001-39009	A
10.40	*TCF 401K Supplemental Plan, as amended and restated effective January 1, 2020.	TCF Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2019.	000-08185	10(gg)

10.41	*TCF Employees Omnibus Deferred Compensation Plan, as restated effective April 15, 2019.	TCF Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2019.	000-08185	10(rr)
10.42	*Rabbi Trust Agreement for TCF Employees Omnibus Deferred Compensation Plan.	TCF Financial Corporation Annual Report on Form 10-K for the year ended December 31, 2019.	000-08185	10(ss)
10.43	*Form of 2022 Restricted Stock Unit Agreement			
14.1(P)	Code of Business Conduct and Ethics dated January 14, 2003 and revised on January 31, 2022 and Financial Code of Ethics for Chief Executive Officer and Senior Financial Officers, adopted January 18, 2003, and revised on October 20, 2015, are available on our website at http://www.huntington.com/About-Us/corporate-governance			
21.1	Subsidiaries of the Registrant			
22	Subsidiary Issuers of Guaranteed Securities			
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.			
24.1	Power of Attorney			
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-K Report for the year ended December 31, 2022, formatted in Inline XBRL: (1) Consolidated Balance Sheets, (2) Consolidated Statements of Income, (3), Consolidated Statements of Comprehensive Income, (4) Consolidated Statements of Changes in Shareholders' Equity, (5) Consolidated Statements of Cash Flows, and (6) the Notes to the Consolidated Financial Statements.			
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.			

* Denotes management contract or compensatory plan or arrangement.

Signatures

Pursuant to the requirements of Section 13 or 15(d) 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, on the 17th Day of February, 2023.

HUNTINGTON BANCSHARES INCORPORATED
(Registrant)

By: /s/ Stephen D. Steinour
Stephen D. Steinour
Chairman, President, Chief Executive Officer, and Director (Principal Executive Officer)

By: /s/ Zachary Wasserman
Zachary Wasserman
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Nancy E. Maloney
Nancy E. Maloney
Executive Vice President, Controller
(Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 17th Day of February, 2023.

Lizabeth Ardisana *
Lizabeth Ardisana
Director

Alanna Y. Cotton *
Alanna Y. Cotton
Director

Ann B. Crane *
Ann B. Crane
Director

Robert S. Cubbin *
Robert S. Cubbin
Director

Gina D. France *
Gina D. France
Director

J. Michael Hochschwender *
J. Michael Hochschwender
Director

Richard H. King *

Richard H. King
Director

Katherine M.A. Kline *

Katherine M.A. Kline
Director

Richard W. Neu *

Richard W. Neu
Director

Kenneth J. Phelan *

Kenneth J. Phelan
Director

David L. Porteous *

David L. Porteous
Director

Roger J. Sit *

Roger J. Sit
Director

Jeffrey L. Tate *

Jeffrey L. Tate
Director

Gary Torgow *

Gary Torgow
Director

*/s/ Jana J. Litsey

Jana J. Litsey
Attorney-in-fact for each of the persons indicated

2022 STOCK-SETTLED RESTRICTED STOCK UNIT AWARD AGREEMENT

Employee Name:

Number of Restricted Stock Units Awarded:

Date of Award:

Closing Price on Date of Award:

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement") is made as of the date in the box above labeled "Date of Award" 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 Amended and Restated 2018 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 Awards settled in shares of the Company's common stock, without par value ("Shares").

WHEREAS, the Company desires to compensate the Employee with an Award of Restricted Stock Units to provide an incentive for the Employee to continue to perform 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. **Award 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 "Award") 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 ShareAll 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) **General.** The Employee's RSUs shall vest only if the Employee satisfies the service-based vesting requirements in subsections (b), (c), (d) or (e) below, as applicable.

(b) **General Continuous Service Requirement.** Except as provided in this Agreement and the Plan, 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 Award, 50% of the Employee's Restricted Stock Units in the Employee's Restricted Stock Unit Account originally granted under this Award will vest on such date.

2. If the Employee is continuously employed by the Company through the fourth anniversary of the Date of Award, the remaining Restricted Stock Units in the Employee's Restricted Stock Unit Account originally granted under this Award will vest on such date.

(c) **Early Retirement and Termination Due to Reduction in Force, Sale of a Subsidiary, After a Leave of Absence, or for Reasons Other Than for Cause.** Notwithstanding any provision in Section 3(b) above to the contrary, if, before the fourth anniversary of the Date of Award, 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 RSUs subject to Award times a fraction. The numerator of the fraction shall be the number, which in no event shall be greater than 48, 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 Award and ending with the month in which the Employee's termination occurred. The denominator of the fraction shall be 48. The number of shares in which the Employee vests under this subsection (c) shall then be reduced by the number of shares previously vested under subsection (b) above.

For purposes of this Agreement, a "Permitted Termination" means the Employee's employment or service with the Company terminates (i) due to Early Retirement, (ii) by reason of a reduction in force, (iii) in connection with a sale of a Subsidiary (as defined in Section 2.42 of the Plan), (iv) because there is no continued employment for the Employee after a leave of absence, or (v) because of termination by action of the Company for reasons other than for Cause (as defined in Section 2.5 of the Plan).

For purposes of this Agreement and notwithstanding any provision of the Plan, including Section 2.39 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) **Normal Retirement.** Notwithstanding any provision in Section 3(b) or 3(c) above to the contrary, if, before the fourth anniversary of the Date of Award, the Employee's employment or service with the Company terminates for any reason other than Cause after attainment of age 59 ½ 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 Award so that the Employee's Restricted Stock Units become fully vested on such date in accordance with the schedule set forth in Section 3(b) of this Agreement.

(e) **Death and Disability.** Notwithstanding any provision in Section 3(b), 3(c), or 3(d) above to the contrary, if, before the fourth anniversary of the Date of Award, the Employee's employment or service with the Company terminates because of a Disability (as defined in Section 2.16 of the Plan) or death, or if the Employee dies after Normal Retirement, the Employee shall become immediately vested in 100% of the Restricted Stock Units. Notwithstanding the foregoing, if the Employee's employment or service with the Company previously terminated due to a Permitted Termination, and the Employee dies after such termination, Section 3(c) of this Agreement will continue to apply, and any unvested Restricted Stock Units will not become vested under this Section 3(e).

4. **Forfeiture Provisions.**

(a) **General Forfeiture.** To the extent the Employee fails to satisfy the vesting conditions of Section 3 of this Agreement, the Employee's unvested RSUs shall be forfeited.

(b) **Recoupment Policy.** Notwithstanding any provision of this Agreement to the contrary, the Committee may cause the Employee to forfeit all RSUs and require repayment of any amount previously paid under this Agreement in accordance with the terms of the Huntington Bancshares Incorporated Recoupment 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) **For Cause Termination.** Notwithstanding anything herein to the contrary, in the event that the Employee's employment is terminated for Cause, the Employee shall immediately forfeit any RSUs that were not previously vested before the date of termination.Additionally, if the Employee's termination of service may qualify both as (i) a for Cause termination and (ii) either a Permitted Termination, Normal Retirement, or death, the Employee's termination shall be considered a termination for Cause, and the Employee shall forfeit any RSUs that were not previously vested before the date of termination.

(d) **Plan Governs.** This RSU Award 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 Award 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 or Corporate Transaction.**

(a) Change in Control. 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:

(1) within 12 months after a Change in Control occurs, the Employee's service has been terminated by the Company or its successor (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.

(b) Corporate Transaction. Notwithstanding any provision to the contrary, if within 12 months after the occurrence of a Corporate Transaction, the Employee’s service with the Company terminates because of termination by action of the Company for reasons other than Cause (as defined in Section 2.5 of the Plan) and that is because of the Corporate Transaction, the Employee shall become immediately vested in 100% of the RSUs in the Employee’s RSU Account, regardless of whether the Employee otherwise would have qualified for Early Retirement (but not Normal Retirement). If, however, such terminated Employee otherwise qualified for Normal Retirement under this Agreement, the Employee shall become vested in the RSUs in the manner set forth in Section 3(d) of this Agreement. For purposes of this Agreement, a “Corporate Transaction” means, and shall be deemed to occur at such time as, the consummation of a transaction determined by the Committee to be merger or other transaction described in Section 4.3 of the Plan, but which is not a Change in Control.

6. **Issuance of Stock.**

The Company, or its transfer agent, will convert the Restricted Stock Units in the Employee’s RSU Account into Shares (including whole and fractional shares) and, unless the Employee made an election to defer the receipt of Shares, 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 14 below. However, notwithstanding any provision to the contrary, if, in the reasonable determination of the Company, the 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. For purposes of this Agreement and all other outstanding Restricted Stock Unit Award Agreements between the Employee and the Company, 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, if any. If the Employee has not designated a beneficiary for such an Award, the Company will transfer any such RSUs to the Employee’s brokerage account. If the Employee designated a beneficiary for the brokerage account, the Shares will be distributed to such beneficiary. Otherwise, the Shares will be distributed in accordance with the beneficiary procedures under the brokerage account.

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"), and the Employee made a timely election to defer RSUs by December 31st of the year before the year of the Date of Award, the Employee shall 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, to be effective, must have been made on a form provided by the Company that specified the number of Shares to be deferred and the distribution date for such Shares. Such form would have allowed the Employee to 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 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 withholding, income, and other 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 Award.**

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 the Employee's beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Employee nor the Employee's 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 Award and before the date the Employee receives the Shares subject to this Award, 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 Award 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 Award of Restricted Stock Units held in the RSU AccountThese additional Restricted Stock Units will be distributed in whole and fractional Shares in accordance with Section 6 of this Agreement.

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 Award 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 Award 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.Notwithstanding the foregoing, as a condition to receiving this Award, the Employee acknowledges that in the event of a conflict between Section 21 of this Agreement and the governing law and jurisdictional terms of the Plan, Section 21 of this Agreement 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 Plaza, HP0600, 37 W. Broad Street, Columbus, Ohio 43215, 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. **Severable.**

Each of the Employee's obligations under this Agreement shall be considered a separate and severable obligation. Unless the Employee is employed in **Wisconsin**, if a court determines that any restriction in this Agreement cannot be enforced as written due to an overbroad limitation (such as time, geography, or scope of activity), unless not allowed by applicable law, the parties agree that a court of law is expressly authorized to reform or modify the restriction/provision or enforce the restriction/provision to such lesser extent as is allowed by law. If, despite the foregoing, any restriction/provision contained in this Agreement is determined by a court of law to be void, invalid or unenforceable, in whole or in part, then the other provisions of this Agreement will remain in full force and effect and continue to be binding on the Employee and the Company.

20. **Expenses.**

Costs of administration of the terms and conditions of this Agreement will be paid by the Company.

21. **Governing Law and Exclusive Jurisdiction.**

(a) **General**. Notwithstanding any particular state's conflict of laws rules or provisions and to the extent permitted by federal law, this Agreement shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of Ohio. Except for the two specific circumstances set forth below, the parties agree to submit all disputes arising out of or in connection with this Award Agreement to the exclusive jurisdiction of the Court of Common Pleas, Franklin County, Ohio, or the federal courts of Ohio.The Employee expressly consents to the personal jurisdiction of the state and federal courts of Ohio for any lawsuit filed there against the Employee by the Company arising from or relating to this Award Agreement.The Employee further agrees that the Court of Common Pleas, Franklin County, Ohio and the federal courts of Ohio are proper venues for any resolution of disputes in connection with or arising out of this Award Agreement.

(b) **Exceptions**. Notwithstanding the general requirements in subsection (a) above, (1) the Employee agrees that the Company, and only the Company, at its sole discretion, may seek injunctive or other equitable relief to enforce the terms of this Agreement in any court of competent jurisdiction, and (2) this Agreement and its Governing Law and Exclusive Jurisdiction provisions are not intended to and shall not foreclose the jurisdiction of any FINRA mandated arbitration nor prohibit or restrict any registered representatives and employees of registered investment advisors from requesting arbitration of a dispute in the FINRA arbitration forum as specified in FINRA Rules, provided that nothing in this Agreement shall prevent the Company from seeking injunctive relief in any court of competent jurisdiction.

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.

23. **Restrictive Covenants.**

The Employee acknowledges that the Employee's access to Confidential Information (as defined below), their employment and the RSU award received under the Plan are sufficient consideration to make the Restrictive Covenants immediately enforceable and binding on them. Further, the Employee acknowledges and agrees that to the extent that any of the Restrictive Covenants, including the Non-Solicitation Provisions set forth in this Agreement, are inconsistent with or differ in any way from any Restrictive Covenants/Non-Solicitation obligations found in another agreement or plan to which the Employee is now of hereinafter subject, including but not limited to, any provision imposing a different length of time applicable to any restriction or imposing different obligations, the Company retains the right to enforce any and all post-employment obligations to which the Employee is subject and to designate the longest period and most restrictive post-employment obligations as controlling.

(a) **Confidential Information**. By accepting this Agreement and the Award listed herein, the Employee acknowledges and agrees at all times during and after employment with the Company, to keep in strict confidence, and not to, either directly or indirectly, disclose, make known, divulge, reveal, furnish, make available, or use or authorize the disclosure or use of, or copy or remove from the Company's premises, disassemble or decompile, misappropriate or otherwise attempt to gain unauthorized access to any confidential, proprietary and/or trade secret information of the Company ("Confidential Information") except as is expressly authorized in writing by the Company. The Employee agrees that the Employee's obligation of confidentiality under this Agreement shall survive the termination of employment by the Company, whether such termination is voluntary or involuntary.

If, and only if, the controlling state law applicable to the Employee requires a time limit to be placed on post-employment restrictions in Section 23(a) for the restrictions to be enforceable, then the post-employment restrictions in Section 23(a) involving Confidential Information that is not a trade secret will expire three (3) years after the Employee's employment or other association with the Company ends. This time limit will not apply to (i) Confidential Information that qualifies as a trade secret, or (ii) third party Confidential Information. The Company's trade secrets will remain protected for as long as they qualify as trade secrets under applicable law. Items of third-party Confidential Information will remain protected for as long as allowed under the laws and/or separate agreements that make them confidential.

The Employee further agrees to use best efforts to protect the confidentiality of Confidential Information, including by complying with all Company policies relating to the protection of confidential and proprietary information, information security, data privacy and similar policies that are made available or otherwise communicated to the Employee by the Company. In addition, the Employee agrees to immediately return or, at the Company's sole discretion, permanently destroy, any and all Confidential Information, whether in hard-copy, electronic or other forms, in the Employee's possession, custody or control upon the Employee's termination of employment with the Company.

Confidential Information includes, but is not limited to, any and all information that could be or is considered a trade secret by the Company, whether or not that meets the legal definition of a trade secret as defined by the Uniform Trade Secrets Act as adopted in Ohio, Ohio Rev. Code §§ 1333.61(D) through 1333.69 (and in other state trade secret laws) and/or the Defend Trade Secrets Act, 18 U.S.C. § 1836, et seq., and any and all information concerning any and all Confidential Information belonging to the Company acquired from any customer or prospective customer of the Company. Confidential Information is not intended to include topics such as wages, benefits, employment-related rules/procedures, or anything else relating to employees' terms and conditions of employment, and is instead meant to encompass sensitive, non-public information regarding the Company's business plans and strategies, as outlined below, disclosure of which could compromise the Company's competitive position in the marketplace. Except as otherwise prohibited by applicable law, Confidential Information includes, but is not limited to:

(1) Processes, policies, procedures, agreements, contracts, information relating to mergers and acquisitions, contracts under negotiation, system documentation, special hardware and/or software, technology developments and computer systems, business techniques, training materials, programs, manuals, formulas, methods and machines, financial information, compilations and lists, business plans and methods, market strategies and plans, products and/or services, sales figures, pricing information, costs, budgets, financial performance and projections, strategic plans and forecasts and any other business or financial information or plans that are developed, owned, utilized, or maintained by the Company and that of its customers or suppliers; information regarding the persons, suppliers, vendors and/or organizations with whom the Company has business relationships and the substance of those relationships; marketing plans, proposals, knowledge, information and strategies;

(2) Any and all information regarding any Company customer and/or prospective customer, including names, addresses, telephone numbers, email addresses, lists or any other identifying or contact information, account or transactional information, and other personal, business or financial information regarding any such customer or prospective customer;

(3) Any and all non-public information that might be of use to competitors, or harmful to the Company or its customers or prospective customers; and

(4) Any and all non-public information learned during conversations, meetings, telephone calls or any other forms of communication and/or information committed to memory.

For employees in supervisory roles and/or those whose job duties involve handling and maintaining the confidentiality of such information, such persons should not disclose any information related to employee compensation schemes or employee development; personnel information (including but not limited to employee personnel files, performance information, benefit and health information, employee lists and payroll records) and all other information about employees, contingent workers and independent contractors.

For employees in non-supervisory roles and/or those whose job duties do not involve handling and maintaining the confidentiality of such information, such persons are prohibited from disclosing the following information to competitors of the Company: any and all information related to employee compensation schemes or employee development; personnel information (including but not limited to employee personnel files, performance information, benefit and health information, employee lists and payroll records) and all other information about employees, contingent workers and independent contractors. Nothing in this Agreement is intended to limit any concerted activities by employees related to their wages, hours working conditions or other terms and conditions of employment, or any other conduct protected by Section 7 of the National Labor Relations Act.

Confidential Information is maintained in hard copy, electronic and/or other forms and includes any such information that the Employee may prepare or create during employment on behalf of the Company, as well as such information that has been or may be created by others. Confidential Information does not include information that is generally known to the public or that has been made known to the public through no fault of the Employee.

The Employee acknowledges and agrees that Confidential Information is owned by the Company and the Employee has no ownership or right to Confidential Information even if the Employee helped to collect or develop Confidential Information. The Employee hereby waives and agrees not to assert any claim of ownership or other interest in Confidential Information. The Employee further agrees to comply with all other policies and procedures of the Company for protecting Confidential Information. The Employee agrees that in the event Employee receives a request for Confidential Information by anyone not employed by the Company or by an employee of or a consultant to the Company in regard to any such Confidential Information, that the Employee will promptly notify the Company of such request and refrain from knowingly divulging, revealing, furnishing or otherwise using such Confidential Information in response to such a request.

The Employee understands that pursuant to the federal Defend Trade Secrets Act, 18 United States Code § 1839, the Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (a) in confidence to a Federal, state, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Employee also understands that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

The Employee also understands that nothing in this Agreement shall be construed to prohibit the Employee from (i) opposing an event that the Employee reasonably and in good faith believes is a violation of law, including criminal conduct, discrimination, harassment or other unlawful employment practices, or (ii) reporting such an event to the Employee's attorney, law enforcement, or the relevant law-enforcement agency (such as the Securities and Exchange Commission, Equal Employment Opportunity Commission, or the state or local agency for human), or (iii) making any truthful statements or disclosures required by law or otherwise cooperating in an investigation conducted by any government agency. The Employee understands that the Employee is not required to contact the Company regarding the subject matter of any such communications before engaging in such communications.

(b) **<u>Non-Solicitation Provisions</u>.**

1. By accepting this Agreement and the Award listed herein, the Employee agrees that during the Employee's employment with the Company and for a period of one year after such employment ceases, regardless of the reason, the Employee will not, directly or indirectly, for the Employee's benefit or on behalf of any other person or entity:

(i) 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 employee's employment with the Company or to seek or accept employment with any other person or entity; or

(ii) Hire or attempt to hire any person employed by the Company to provide services to any other person or entity.

The Employee acknowledges that the restrictions in Section 23(b)(1)(i) and (ii) are limited to employees with whom the Employee worked, whom the Employee supervised or about whom the Employee acquired Confidential Information during the last two years of employment with the Company.

Further, each Employee who: (a) is a Registered Representative with FINRA through any Company broker-dealer; or (b) in the performance of the Employee's job duties interacts, directly or indirectly, with customers or prospective customers of the Company and has a salary grade of 70 or above, agrees that during the Employee's employment by the Company and for a period of one year after such employment ceases, regardless of the reason, the Employee will not, directly or indirectly, for the Employee's benefit or on behalf of any other person or entity:

(iii) 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 customer to obtain any product or service offered by the Company from any person or entity other than the Company; or

(iv) Solicit or attempt to solicit any customer or, where allowed by law, prospective customer of the Company whose identity or other customer specific information the Employee obtained or gained access to as an employee of the Company for the purpose of soliciting, influencing, enticing, attempting to divert or inducing any such customer or prospective customer to obtain any product or service provided by the Company from any person or entity other than the Company; or

(v) On behalf of any person or entity other than the Company, accept, or provide assistance in accepting, business from any customer or prospective customer 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.

The Employee further agrees not to use Confidential Information at any time to solicit, divert, entice, induce or influence or attempt to solicit, divert, entice, induce or influence 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.

The restrictions contained in Sections (i) through (v) above are understood to be reasonably limited by geography to those locations, and counties, where the customers and employees are present and available for solicitation. However, to the extent additional geographic limitations are required to make the restrictions enforceable, they shall be deemed limited to: (i) the state in which the Employee resides; and (ii) each state in the United States in which the Company is engaged in business at the time Employee's employment with the Company ends).

2. Notwithstanding the foregoing Non-Solicitation provisions, if the Employee is a Registered Representative registered with FINRA through any Company broker-dealer and engaged in broker-dealer activities regulated by FINRA, then the provisions in Section (v) above shall not apply to the Employee following their employment with the Company solely with respect to the Employee's broker-dealer activities. In addition, (a) the provisions in Sections 23(b)(1)(i) through (v) shall not apply post-employment to employees who are employed in **Illinois** whose total annual compensation is forty-five thousand dollars ($45,000) or less (increasing by $2,500 every five years from January 1, 2027 through January 1, 2037), (b) the provisions in Sections 23(b)(1)(i) and (ii) shall be modified for employees who are employed in **Indiana** to further limit the restriction on solicitation of or interference with employees to those who have access to or possess any Confidential Information that would give a competitor an unfair advantage, (c) for employees who are employed in **Nebraska**, the restrictions in Sections 23(b)(1)(iii) through (v) shall only apply to customers with which the Employee, alone or in combination with others, handled, serviced or solicited at any time during the last two years of the Employee's employment with the Company, (d) For employees who are employed in **New York**, the provisions in Sections 23(b)(1)(iii) through (v) are modified to exclude from the restrictions on solicitation of or interference with customers any customer who became a customer of the Company as a result of the Employee's independent contact and business development efforts with the customer prior to and independent from the Employee's employment with Company, (e) for employees who are employed in **Nevada**, Sections 23(b)(1)(iii) through (v) do not preclude the Employee from providing services to any former client or customer of the Company if: (i) the Employee did not solicit the former customer or client; (ii) the customer or client voluntarily chose to leave and seek services from the Employee; and (iii) the Employee is otherwise complying with the limitations in this Agreement as to time, geographical area and scope of activity to be restrained, (f) for employees employed in **North Carolina**, the restrictions in Sections 23(b)(1)(iii) through (v) shall be limited to customers with whom the Employee performed any services or had any direct or indirect business contact during the last year of the Employee's employment with the Company, (g) the provisions in Sections 23(b)(1)(i) through (v) shall not apply post-employment to employees who are employed in **Washington** whose total annual compensation is less than $107,302 (in Box 1 W-2 annual compensation, as adjusted annually for inflation by the Washington State Department of Labor & Industries), (h) the provisions in Sections 23(b)(1)(i) and (ii) are amended for employees who are employed in **Wisconsin** to limit the restrictions on solicitation of or interference with employees to those who are either entrusted with Confidential Information or employed in a position essential to the management, organization, or service of the business (such as, but not limited to maintaining Company's customer relationships), and (i) the provisions in Sections 23(b)(1)(iii) through (v) shall not apply post-employment to employees employed in **California**, though Sections 23(b)(1)(i) and (ii) shall apply to the broadest extent permissible under applicable law.

3. By accepting the terms of this Agreement, the Employee also agrees that in the event the Employee is found to have breached or threatened to breach any of the Non-Solicitation provisions, in addition to any other legal or equitable rights the Company has, the Company will be entitled to restrain the Employee from breaching the Employee's obligations under these Non-Solicitation provisions through preliminary or temporary injunctive relief and to recover the Company's attorneys' fees and costs incurred in pursuing its rights.[1] If under applicable law, the foregoing cannot be enforced without also giving the Employee the right to recover attorneys' fees and costs if deemed the prevailing party, then the foregoing sentence shall not apply and both parties shall bear their own attorney's fees and costs instead. The Company shall be deemed the prevailing party if it is awarded any part of the legal or equitable relief it seeks, irrespective of whether some of the relief it seeks is denied or modified.

4. The Employee acknowledges that the time period and scope of these Non-Solicitation Provisions is reasonable in light of the Confidential Information, including trade secrets, to which the Employee had access while employed by the Company.If the Employee fails to comply with a restriction in this Agreement that applies for a limited period of time after employment, the time period for that restriction will be extended by the greater of either: one day for each day the Employee is found to have violated the restriction, or the length of the legal proceeding necessary to secure enforcement of the restriction; provided, however, this extension of time shall be capped so that the extension of time does not exceed two years from the date the Employee's employment with the Company ended, and if this extension would make the restriction unenforceable under applicable law it will not be applied.

Notwithstanding the foregoing Non-Solicitation provisions in 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 the Employee's employment termination.

[1] If the Employee is employed in **Illinois**, the potential right to attorneys' fees will apply to both the Employee and the Company, with the prevailing party in any action to enforce recovering from the non-prevailing party, in addition to any other sum that either party may be called upon to pay, a reasonable sum for the prevailing party's attorneys' fees and costs. The Company shall be deemed the prevailing party if it is awarded any part of the legal or equitable relief it seeks, irrespective of whether some of the relief it seeks is denied or modified.

(c) Non-Competition Provision.

Unless the Employee is employed in **California, the District of Columbia, Montana, Nebraska, North Dakota, or Oklahoma**, or under limited circumstances in **Illinois, Nevada or Washington**[2], by accepting this Agreement and the Award listed herein, the Employee agrees that if the Employee's service terminates because of Normal Retirement, the RSUs that continue to vest under this Agreement will become vested only if after the Date of Award and through the fourth[3] anniversary of the Date of Award, the Employee 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 the Employee's knowledge of Confidential Information) for any bank, bank affiliated broker dealer, or other entity that competes with any line of business of the Company that has any material operations in any of the Company's footprint states (Ohio, Colorado, Florida, Illinois, Indiana, Kentucky, Michigan, Minnesota, Pennsylvania, South Dakota, West Virginia, Wisconsin and any additional footprint states that may arise from mergers or acquisitions, corporate reorganizations, or related activities after the Date of Award). The Employee acknowledges that the time period, geographic scope, and scope of services covered by this Non-Competition Provision is reasonable in light of the Confidential Information, including trade secrets, to which the Employee had access while employed by the Company. "Material operations" means that it has more than 5% market share in any of the Company'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 RSUs shall immediately cease, and the Employee shall forfeit any unvested RSUs.

Notwithstanding the foregoing restrictive covenants 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 the Employee's termination of employment.

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[2] The Non-competition provision is not applicable in **Illinois** if the Employee was laid-off or furloughed for reasons related to the Covid-19 pandemic or under circumstances that are similar to the Covid-19 pandemic, unless the Employee received compensation equivalent to the Employee's base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement. The Non-competition provision is not applicable in **Nevada** if the Employee's employment with the Company is terminated as a result of a reduction in force, reorganization or similar restructuring of the Company, unless, during the restricted period, the Company is paying the Employee's salary, benefits or equivalent compensation, including without limitation, severance pay, if it elects to make such a payment. The Non-competition provision is not applicable in **Washington** if the Employee is terminated as a result of a layoff, unless the Company pays the Employee compensation equivalent to the Employee's final base pay at the time of the termination of Employee's employment, minus the amount of any compensation the Employee earns through employment after the end of the Employee's employment with the Company, which the Employee agrees to promptly and fully disclose. For purposes of this section, "layoff" (for any employee in Washington) means termination of the Employee's employment by the Company for reasons of the Company's insolvency or other purely economic factors, and specifically excludes termination of the Employee's employment for any other reason, either with or without cause.

[3] If the Employee is employed in **Utah**, the word "fourth" is replaced with the word "first" such that the Restricted Stock Units vest on the first anniversary of the grant provided the Employee abides by the Non-Competition Provision as thereby modified. If the Employee is employed in **Louisiana**, the word "fourth" is replaced with the word "second" such that the Restricted Stock Units vest on the second anniversary of grant provided the Employee abides by the Non-Competition Provision as thereby modified.

If the Employee is located in the State of **Washington**, then the Employee acknowledges that the Non-Competition Provision is enforceable against Employee if Employee's earnings from the Company, when annualized, exceed one hundred seven thousand three hundred and two dollars ($107,302.00) per year in Box 1 W-2 annual compensation, as adjusted annually for inflation by the Washington State Department of Labor & Industries. If the Employee is employed in **Illinois**, the Employee acknowledges that the Non-Competition Provision is enforceable against the Employee if the Employee's earnings from the Company, when annualized, exceed seventy-five thousand dollars ($75,000.00) per year (with this earnings threshold increasing by $5000 every five years from January 1, 2027 through January 1, 2037). If the Employee is employed in **Oregon**, the Employee acknowledges that the Non-Competition Provision is enforceable against the Employee if the Employee's earnings from the Company, when annualized, exceed one hundred thousand five-hundred and thirty-three dollars ($100,533.00)[4] per year.

24. **Assignment of Company Inventions.**

Any invention, discovery, development, concept, idea, process, information, material, method, data, program or software, know-how, improvement, media, protocol, specification, design, artwork, logo, name, symbol tagline, or other work and all Intellectual Property Rights therein related to any aspect of the Company's past, current or contemplated business that Employee makes, conceives, creates, authors or develops either alone or with someone else shall be considered a "Company Invention" and therefore belong to the Company. All such work is included in the definition of "Company Invention" no matter what form it takes and regardless of whether or not it can be trademarked, copyrighted, patented or maintained as a trade secret. This is true whether the Employee works on such matter within or outside of the office, whether the Employee works on such matter during working hours or on the Employee's personal time, and whether the Employee uses the Company's equipment or the Employee's own personal equipment. "Intellectual Property Rights" means all trade secrets rights, copyrights, trademark rights, patent rights and other intellectual property rights recognized at any time by the laws (including statutes and common law) of any state, country or other jurisdictions. By accepting this Agreement and the Award listed herein the Employee agrees as follows:

(a) To promptly disclose any Company Inventions to the Company and exclusively grant and assign all of the Employee's rights, title, and interest in Company Inventions (whether existing or future) to the Company;

(b) The Employee hereby assigns all right, title and interest in all Company Inventions to the Company without further consideration;

(c) That upon the Company's request, whether before or after termination of the Employee's employment at the Company, the Employee will perform any and all acts deemed necessary or desirable by the Company to permit and assist it (at its expense) in obtaining and enforcing the full benefits, enjoyment right and title throughout the world in Company Inventions (including, but not limited to, the execution and delivery of documents and providing assistance in legal proceedings);

(d) That the Employee irrevocably designates and appoint the Company and its duly authorized officers and agents as the Employee's agent and attorney-in-fact, to act for and on the Employee's behalf and stead to execute and file any applications and to perform all other legally permitted acts to further secure the Company's rights to and in any Company Inventions;

[4] Based upon 2021 figures and to be adjusted annually thereafter for inflation pursuant to the Consumer Price Index for All Urban Consumers, West Region (All Items) as published by the U.S. Bureau of Labor Statistics.

(e) Not to disclose any information about Company Inventions to anyone outside the Company absent written permission from the Company to do so, unless that information has already been publicly released by the Company;

(f) That upon termination of the Employee's employment at the Company, all Company Inventions will remain the property of the Company; and

(g) The Employee hereby waives and irrevocably assign to the Company, to the extent permitted by law, any and all rights of any nature whatsoever, including the right to sue, counterclaim, and recover for all past, present, and future misappropriation or infringement of any and all Company Inventions assigned to the Company.

(h) The assignment provisions in this Section 24 are limited to only those inventions that can be lawfully assigned by an employee to an employer. Some examples of state laws limiting the scope of assignable inventions are: Delaware Code Title 19 Section 805; Kansas Statutes Section 44-130; Minnesota Statutes 13A Section 181.78; New Jersey Rev. Stat. §34:1B-265; North Carolina General Statutes Article 10A, Chapter 66, Commerce and Business, Section 66-57.1; Utah Code Sections 34-39-l through 34-39-3, "Employment Inventions Act"; and Washington Rev. Code, Title 49 RCW:Labor Regulations, Chapter 49.44.140. NOTICE: The Employee acknowledges notice that to the extent one of the foregoing laws applies, their invention assignment agreement will not apply to an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on their own time, unless: (1) the invention relates directly to the business of the Company or to the Company's actual or demonstrably anticipated research or development; or (2) the invention results from any work performed by me for the Company. Similarly, to the extent California Labor Code Section 2870, or Illinois 765 ILCS 1060/1-3, "Employee Patent Act" controls, then the same notice will apply absent the word "directly" in part (h)(1).

25. <u>Notice Period</u>.

By accepting this Agreement and the Award listed herein, the Employee agrees to provide the Company with advance notice of the Employee's resignation from employment or retirement, depending on level as specified below ("Notice Period"). To be effective, notice must be provided to the Employee's manager. At the Company's request, the Employee agrees to provide written notice.

Level	Notice Period
SVP	30 days
EVP	60 days
SEVP	90 days

The Employee also agrees to disclose any financial services entity or other competitor with which the Employee has accepted employment or is considering accepting employment. After the Employee provides effective notice, the Company may in its discretion waive the Notice Period in part or in its entirety.

During any portion of the Notice Period the Company does not waive, and provided the Employee complies with Company policy, procedures, and directives, Employee will (1) receive the Employee's base salary or draw (as applicable), (2) continue to participate in any benefit plans for which the Employee is eligible subject to the terms and conditions of such plans, and (3) receive any bonus, incentive, or vesting of equity awards, subject to governing plan documents or agreements. However, after the Employee provides notice, the Employee will not be eligible to receive any equity award grants.

During the Notice Period, the Company may change or remove job responsibilities and/or restrict the Employee's access to facilities, Confidential Information, and email, phone, and computer systems. The Employee will not accrue further PTO and must exhaust all previously accrued PTO during the Notice Period. If there is insufficient time to exhaust accrued PTO in the Notice Period, the Employee will receive payment of unused and accrued PTO pursuant to Company policy.

Because, during the Notice Period, the Employee remains an employee who owes a duty of loyalty to the Company, the Employee (1) may not become employed by another financial services entity or other competitor at the same time the Employee is employed by the Company, and (2) must refrain from soliciting the business (for the Employee or for another financial services entity or other competitor) of any Company customers or potential customers the Employee provided services to or has knowledge of by virtue of the Employee's employment. If contacted by a customer or potential customer during the Notice Period, the Employee may provide necessary services to that customer or potential customer and must notify the Employee's manager in writing of each such contact and the services provided.

If the Employee's service terminates because of Normal Retirement and the Employee violates the terms of this Notice Period provision, the continued vesting of the Employee's RSUs shall immediately cease, and the Employee shall forfeit any unvested RSUs.

The Employee acknowledges that any breach of this Notice Provision will result in irreparable harm to the Company for which monetary damages are insufficient. In addition to any other legal or equitable rights the Company has, it will be entitled to restrain the Employee from breaching the Employee's obligations through preliminary or temporary injunctive relief and to recover the Company's attorneys' fees and costs incurred in pursuing its rights.

26. Acceptance Period and Forfeiture.

After review of this Agreement, the Employee will be required to accept the terms and conditions of the Award.If this Agreement is not accepted within 45 days of the distribution of this document, then the Award will be subject to forfeiture.

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The Employee acknowledges that by accepting this Agreement, including the Restrictive Covenants, the Employee received this Agreement in advance of the date that the Employee was expected to accept the Agreement. The Employee understands that the Employee has a right to consult with an attorney regarding the Restrictive Covenants and that the Company encourages the Employee to do so. If the Employee works in **Illinois**, **Massachusetts or Oregon,** the Employee hereby acknowledges that the Employee has been advised to consult with an attorney of the Employee's choice before entering into the Restrictive Covenants and that the Employee has have been provided at least fourteen (14) calendar days to review any such covenant(s) set forth in this Agreement and consult an attorney.

The Company will not have any further obligations to the Employee under this Agreement if the Employee's Award is forfeited as provided herein.

This Agreement along with the Amended and Restated 2018 Long-Term Incentive Plan Prospectus will be available by accessing your Fidelity account.

I hereby accept the terms of this Agreement electronically through Fidelity.

____
Chairman, President, and Chief Executive Officer Date

Exhibit 21.1

SUBSIDIARIES OF HUNTINGTON BANCSHARES INCORPORATED

The direct and indirect subsidiaries of Huntington Bancshares Incorporated at December 31, 2022, are listed below. The state or jurisdiction of incorporation or organization of each subsidiary (unless otherwise noted) is Ohio.

41 South High Ltd.
791, 801, AND 803 W. Big Beaver Road, LLC
AFL-HBAN Solar Trust (Delaware)
AM-HBAN Solar Trust (Delaware)
Amherst Consulting LLC (Michigan)
Capstone Capital Markets LLC (Delaware)
Capstone Corporate Finance LLC (Delaware)
Capstone Enterprises LLC (Delaware)
Capstone Partners LLC (Delaware)
Capstone Technology Group LLC (Delaware)
CE Capital, LLC (Pennsylvania)
CFC-HBAN Solar Trust (Delaware)
CHEMBACO, LLC (Michigan)
CL1-HBAN Solar Trust (Delaware)
CRS Capstone Partners LLC (Delaware)
Digital Payments Torana, Inc (Delaware)
FirstMerit Advisors, Inc.
FirstMerit Community Development Corporation
FirstMerit Securities, Inc.
FirstMerit Title Agency, LTD.
FMRC, Inc. (Delaware)
Forty-One Corporation
Fourteen Corporation
Gateway One Lending & Finance, LLC (Delaware)
GC1-HBAN Solar Trust (Delaware)
Haberer Registered Investment Advisor, Inc.
HBI Payments Holdings, Inc.
HBI Specialty Insurance, Inc.
HBI Title Services, Inc.
HCFFL, LLC (Nevada)
HLFB, Inc. (Nevada)
HMFAL, LLC
HMFAL II, LLC
HNB I LLC (Delaware)
HPAL Holdings, LLC (Nevada)
HPAL, LLC (Nevada)
HPAL II, LLC (Nevada)
HPCDS, Inc. (Nevada)
HPCF Corporation (Nevada)
HPCKAL, LLC (Nevada)
HPCLI, Inc.

HREIC Holdings, LLC
Huntington Bank International, Inc. (Minnesota)
Huntington Capital Financing Holdings I, Inc. (Nevada)
Huntington Capital Financing Holdings II, Inc. (Nevada)
Huntington Capital Financing OREO, Inc. (Nevada)
Huntington Capital I (Delaware)
Huntington Capital II (Delaware)
Huntington Captive Insurance Company (Arizona)
Huntington Commercial Finance Australia Pty Ltd (New South Wales, Australia)
Huntington Commercial Finance Canada, Inc. (Ontario, Canada)
Huntington Commercial Finance, LLC (Minnesota)
Huntington Commercial Finance New Zealand Limited (Auckland, New Zealand)
Huntington Distribution Finance, Inc. (Minnesota)
Huntington Equity Investments, LLC
Huntington Insurance, Inc.
Huntington Joint Venture I, LLC (Minnesota)
Huntington LT (Delaware)
Huntington Mezzanine Opportunities Inc.
Huntington Municipal Fund, Inc.
Huntington Municipal Fund II, Inc.
Huntington Municipal Securities, Inc. (Nevada) *
Huntington Merchant Services, LLC (Delaware)**
Huntington New Markets, CDE, LLC
Huntington Preferred Capital, Inc. *
Huntington Preferred Capital II, Inc.
Huntington Public Capital Corporation (Nevada)
Huntington Renewable Energy Investments, LLC
Huntington Securities, Inc.
Huntington Technology Finance, Inc. (Delaware)
Huntington West, Inc. (Delaware)
Metropolitan Savings Service Corporation
Midwest Funding, LLC (Illinois)
Mobile Consultants, Inc.
Prospect Trust I (Delaware)
Rate Risk Management Advisors, LLC
Red Iron Acceptance, LLC (Delaware)
Red Mountain LLC (Delaware)
Sky Capital LLC (Delaware) *
Sky Financial Capital Trust III (Delaware)
Sky Financial Capital Trust IV (Delaware)
STB Auto Exchange, LLC
TCF Auto Receivables, LLC (Delaware)
TCF Foundation (Minnesota)
TCF Illinois Realty Investments, LLC (Minnesota)
TCF International Operations, Inc. (Minnesota)
TCF Investments Management Inc. (Minnesota)

TCF Management Corporation (Minnesota)
TCF Servicing Company, LLC (Minnesota)
TCF Trust (Delaware)
The Derlam Company
The Huntington Capital Investment Company
The Huntington Capital Investment Company II
The Huntington Community Development Corporation
The Huntington Investment Company
The Huntington Kentucky, LLC (Kentucky)
The Huntington National Bank (United States)
The Huntington Real Estate Investment Company
The Huntington Real Estate Investment Company II
Thirty-Seven Corporation
Tower Hill Securities, Inc. (Nevada)
Troy BNK Investors LLC (Delaware)
TVPX 2019 MSN 6800199 Business Trust (Utah)
TVPX 9095 Business Trust (Utah)
Unizan Capital, LLC (Delaware) *
Winthrop Resources Holdings I, LLC (Minnesota)

* - Owned jointly between The Huntington National Bank and Huntington Bancshares Incorporated.
** - Less than 100% owned.

SUBSIDIARY ISSUERS OF GUARANTEED SECURITIES

Huntington Bancshares Incorporated has guaranteed the payment of certain amounts due with respect to the securities of its subsidiaries described below.

Subsidiary Issuer	Guaranteed Securities
Huntington Capital I	5.47% Junior Subordinated Debentures
Huntington Capital II	5.39% Junior Subordinated Debentures
Sky Financial Capital Trust III	6.17%% Junior Subordinated Debentures
Sky Financial Capital Trust IV	6.17%% Junior Subordinated Debentures

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-232886 and 333-263546), Form S-4 (Nos. 333-252517 and 333-263547) and Form S-8 (Nos. 33-10546, 33-41774, 33-44208, 333136692, 333-140897, 333-144403, 333-153573, 333-158335, 333-161779, 333-161780, 333-168824, 333173831, 333-183325, 333-187725, 333-192600, 333-202349, 333-206720, 333-209962, 333-224665, 333-224666, and 333-255677) of Huntington Bancshares Incorporated of our report dated February 17, 2023 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
February 17, 2023

Exhibit 24.1

POWER OF ATTORNEY

Each director and officer of Huntington Bancshares Incorporated (the Corporation), whose signature appears below hereby appoints Jana J. Litsey, Stephen D. Steinour, and Zachary Wasserman, or any of them, as his or her attorney-in-fact, to sign, in his or her name and behalf and in any and all capacities stated below, and to cause to be filed with the Securities and Exchange Commission, the Corporation's Annual Report on Form 10-K (the Annual Report) for the fiscal year ended December 31, 2022, and likewise to sign and file any amendments, including post-effective amendments, to the Annual Report, and the Corporation hereby also appoints such persons as its attorneys-in-fact and each of them as its attorney-in-fact with like authority to sign and file the Annual Report and any amendments thereto in its name and behalf, each such person and the Corporation hereby granting to such attorney-in-fact full power of substitution and revocation, and hereby ratifying all that such attorney-in-fact or his substitute may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney, in counterparts if necessary, effective as of February 13, 2023.

DIRECTORS/OFFICERS:
Signature / Title

/s/ Stephen D. Steinour

Stephen D. Steinour
Chairman, President, Chief Executive Officer, and Director (Principal Executive Officer)

/s/ Zachary Wasserman

Zachary Wasserman
Senior Executive Vice President and Chief Financial Officer (Principal Financial Officer)

/s/ Nancy E. Maloney

Nancy E. Maloney
Executive Vice President and Controller (Principal Accounting Officer)

/s/ Lizabeth Ardisana *

Lizabeth Ardisana
Director

/s/ Alanna Y. Cotton *

Alanna Y. Cotton
Director

/s/ Ann B. Crane *

Ann B. Crane
Director

/s/ Robert S. Cubbin *

Robert S. Cubbin
Director

/s/ Gina D. France *

Gina D. France
Director

/s/ J. Michael Hochschwender *

J. Michael Hochschwender
Director

/s/ Richard H. King *

Richard H. King
Director

/s/ Katherine M.A. Kline *

Katherine M.A. Kline
Director

/s/ Richard W. Neu *

Richard W. Neu
Director

/s/ Kenneth J. Phelan *

Kenneth J. Phelan
Director

/s/ David L. Porteous *

David L. Porteous
Director

/s/ Roger J. Sit *

Roger J. Sit
Director

/s/ Jeffrey L. Tate *

Jeffrey L. Tate
Director

/s/ Gary Torgow *

Gary Torgow
Director

Exhibit 31.1

CERTIFICATION

I, Stephen D. Steinour, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 officers 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: February 17, 2023

/s/ Stephen D. Steinour
Stephen D. Steinour
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Zachary Wasserman, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 officers 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: February 17, 2023

/s/ Zachary Wasserman
Zachary Wasserman
Chief Financial Officer

Exhibit 32.1

SECTION 1350 CERTIFICATION

In connection with the Annual Report of Huntington Bancshares Incorporated (the Company) on Form 10-K for the year ended December 31, 2022, 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), as applicable, 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
February 17, 2023

Exhibit 32.2

SECTION 1350 CERTIFICATION

In connection with the Annual Report of Huntington Bancshares Incorporated (the “Company”) on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Zachary Wasserman, 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), as applicable, 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/ Zachary Wasserman
Zachary Wasserman
Chief Financial Officer
February 17, 2023

Anti-Predatory Lending Pledge*
for Municipal Depositories

We pledge that we are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code of Chicago. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code of Chicago. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of our designation as a municipal depository.

The Huntington National Bank
Name of Financial Institution

Kyle Sneed
Signature of Authorized Officer

Vice President
Title

Kyle Sneed
Name of Authorized Officer (Print or Type)

312-429-3604
Business Telephone Number

Subscribed and sworn to before me this
23rd day of Oct, 2023

Notary Public

OFFICIAL SEAL
D J LINGENFELTER
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 07-16-2024

Date: ____________________

Name of transaction for which this certificate is submitted: ____________________

Contact Person: ____________________
Address: ____________________

Telephone: ____________________

*The definitions of certain terms set forth in Chapter 2-32 of the Municipal Code of Chicago and used in the Anti-Predatory Lending Pledge are reproduced on the attached pages.

Loan Policy Pledge for Municipal Depositories

We pledge not to arbitrarily reject mortgage loans for residential properties within a specific geographic area in Chicago because of the location and/or age of the property, or in the case of proposed borrower to arbitrarily vary the terms of those loans or the application procedures for those loans on the basis of race, color, religion, national origin, age, sex, marital status, ancestry, sexual orientation, parental status, source of income, disability or military discharge status. In addition, we pledge to make loans available to low- and moderate-income residential property in the neighborhoods of the City of Chicago within the limits of our legal restriction and prudent financial practices.

We understand that arbitrarily rejecting or varying the terms and/or application procedures of mortgage loans on the basis of the factors listed above may result in the lost of our designation as a municipal depository.

The Huntington National Bank
Name of Financial Institution

Kyle Sneed
Signature of Authorized Officer

Vice President
Title

Kyle Sneed
Name of Authorized Officer (Print or Type)

312-429-3604
Business Telephone Number

Subscribed and sworn to before me this
23rd day of Oct, 2023

Notary Public

OFFICIAL SEAL
D J LINGENFELTER
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 07-16-2024

Date: ____________________

Name of transaction for which this certificate is submitted: ____________________

Contact Person: ____________________

Address: ____________________

Telephone: ____________________

REQUEST FOR PROPOSAL
RESPONSE

City of Chicago
2023 MD RFP Submittal for 2024 MD

PREPARED BY:

Kyle Sneed
VP, Government Banking Relationship Manager

Trea Fotidzis
VP, Treasury Management Advisor

November 14, 2023

Huntington

November 14th, 2023

Steve Sakai & Mauricio Banuelos
City Comptroller & City Treasurer
City of Chicago
121 N. LaSalle Street
Chicago IL 60602-1246

Dear Steve Sakai & Mauricio Banuelos:

We at Huntington National Bank are pleased to respond to the City of Chicago Municipal Depository Request for Proposal. We offer a full complement of treasury, liquidity management, portfolio management, card programs, trust and custody services, public finance, and direct financing solutions. We have been an approved municipal depository for the past several years and would be honored to continue in that capacity for 2024. Below we highlight several compelling reasons for 2024 approval:

- **Chicagoland presence** – Huntington maintains a strong Chicagoland presence, which was augmented by our merger with TCF Financial Corporation ("TCF") in June 2021. Huntington currently has 36 branches, two corporate office locations, and 376 employees in the City of Chicago.
- **Local community involvement** – Huntington's GNPF team continues to actively support the Chicago community. For the past nine years, we have sponsored Chicago high school interns through the Chicago Summer Business Institute to provide valuable work experience. Huntington is committed to serving the Chicago community.
- **Small business lending** – Huntington is the nation's largest originator, by volume, of Small Business Administration (SBA) 7(a) loans for the sixth consecutive year. The designation marks a record year for Huntington, surpassing $1.3 billion in SBA 7(a) loans and helping more than 7,300 small businesses. This is also the 15th year in a row Huntington has been the largest originator, by volume and dollar amount, of SBA 7(a) loans within our 11-state footprint.
- **Commitment to diversity, equity, and inclusion** – Huntington continues to make progress on its $40 billion 2021 Strategic Community Plan to address economic, social, environmental, and racial equity challenges. Our micro lending program, Lift Local, which provides $1,000 to $150,000 loans at competitive rates with lower credit score requirements and no origination or SBA fees to the borrower continues to be a big part of our Community Plan in Chicago.

We are committed to serving the City of Chicago along with its residents and continue to grow our team and capabilities to do so.

As an authorized officer of the bank, I have signed each of the required documents which are true to the best of our knowledge, and after reasonable inquiry. I also acknowledge receipt of Addendums posted on the Department of Finance website. Huntington is looking forward to growing our partnership with the City of Chicago.

Sincerely,

Kyle Sneed

Kyle Sneed
VP, Government Banking Relationship Manager
(773) 991-4970
kyle.sneed@huntington.com

Trea Fotidzis
VP, Treasury Management Advisor
(312) 443-1562
trea.a.fotidzis@huntington.com

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EXECUTIVE SUMMARY

Our products and services enable our public sector clients to receive maximum value for the public dollar.

We are committed to serving the public sector. We know that you are no different from other business operations, except that in the public sector, the economic climate, public scrutiny of finances, and increased security expenses can present you with greater challenges as you work to keep expenses down, revenues up, and cash flowing. When you work with Huntington, you will have an entire team of professionals, led by a relationship manager in your market who is well-versed in current investment policies and legislative issues.

TREASURY MANAGEMENT SERVICES

Our treasury management services will enhance your operations. Technologically advanced services give timely, accurate balance reporting and allow you to move your funds more efficiently. Our treasury management services will streamline your collection and disbursement functions.

FRAUD PROTECTION

Nearly every organization has had some experience with some kind of fraud. Our fraud protection services help protect you from check and ACH fraud, and keep you informed of the latest fraud issues. Called Business Security Suite, these services reduce your risk, and allow you to show sufficient due diligence to the bank and to courts when you attempt to recoup losses from fraud.

CAPITAL MARKETS

The Huntington Capital Markets Division offers a wide range of products and services, including:

- Investment Banking
- Fixed Income Sales and Trading
- Municipal Bond Underwriting (for both tax-exempt and taxable issues)
- Private Placement Financing
- Individual Portfolio Strategies

Our licensed representatives are experienced in working with political subdivisions and maintaining compliance with state statutes and policies.

PUBLIC ENTITY EMPLOYEE BENEFITS

We can create a single, customized plan to cover healthcare, retirement, and banking services benefits for your employees.

INSURANCE

As one of the top 50 insurance agent/broker agencies in the country, we serve over 10,000 business clients and more than 320 government clients. We offer comprehensive medical insurance, dental, vision, and long-term care insurance, property and casualty insurance, health savings accounts, and retirement plans.

PUBLIC FINANCE

The Huntington Investment Company acts as an underwriter on a variety of municipal tax-exempt and taxable transactions, providing financing solutions tailored to the issuer's specific objectives. We offer municipal notes and bonds for most public entities, including school districts, cities, port authorities, counties, and state agencies. Financing can be short-term (12 months or less) through long-term (more than five years). We have $3.2 billion in public finance transactions.

EQUIPMENT FINANCE

We are one of the fastest growing bank-affiliated leasing companies in the country. Leasing equipment can help you maximize cash flow, minimize and leverage tax positions, optimize financial reporting, and leverage your assets.

RISK MANAGEMENT

Preserving your assets starts with risk identification. Our risk management professionals can help. They will identify your exposures to risk, evaluate the appropriate risk treatment, and help you determine the risk management insurance that will work best for you.

SWORN STATEMENTS

Huntington is proud of its financial performance. Huntington has included files separate from this PDF with both the 10-K for fiscal year 2022 as well as the 10-Q for the third quarter of 2023. The Huntington team also invites you to visit http://huntington-ir.com/fin/10k/ to view prior years' 10-K filings. The City can also visit http://huntington-ir.com/fin/10q/ to view past Huntington's 10-Q filings.

If the City of Chicago so desires, additional financial performance information can be found at http://huntington-ir.com/. Such information includes Huntington's annual reports; the Environmental, Social, and Governance Report; and Huntington's Corporate Profile including the Board of Directors and Corporate Officers. The "Publications and Filings" section also features Proxy Statements, SEC Beneficial Ownership Reports, Regulatory Disclosures, and other filings.

FDIC COVERAGE RATES

The Federal Deposit Insurance Corporation ("FDIC") requires banks to provide certain disclosures to their customers. The requirement to provide this disclosure is general for all banks and is not related in any way to the current or expected condition of any bank.

Funds are insured up to the applicable FDIC insurance limits, which is limited to $250,000 combined with other funds on deposit with Huntington by the same depositor in accordance with FDIC's aggregation rules.

Please see the following page for Huntington's FDIC Certificate.

Huntington

FDIC 90 YEARS | ABOUT | RESOURCES | ANALYSIS | NEWS

Home > Resources > Data Tools > BankFind Suite > Find Institutions by Name & Location

Help

BankFind Suite Home | Back to Search Results

The Huntington National Bank

Institution Details

Data as of 09/22/2023

FDIC Insured
Since 01/01/1934

FDIC Cert #
6560

Established
01/06/1866

Bank Charter Class
National Banks, member of the Federal Reserve Systems (FRS)

Primary Federal Regulator
Comptroller of the Currency

Secondary Federal Regulator
CFPB

Main Office Address
17 S High St
Columbus, OH 43215

Primary Website
www.huntington.com

Locations
1,206 domestic locations: 11 states and 0 territories.
2 in foreign locations.

Financial Information
Create financial reports for this institution

Consumer Assistance
HelpWithMyBank.gov

Contact the FDIC
Questions about Bank Information

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D. C.

Hereby certifies that the deposits of each depositor in

THE HUNTINGTON NATIONAL BANK

COLUMBUS

OHIO

are insured to the maximum amount provided by the Federal Deposit Insurance Act

FEDERAL DEPOSIT INSURANCE CORPORATION 1933 WASHINGTON D.C.

No: **6560-9**

In testimony whereof, witness my signature and the seal of the Corporation this **22ND** day of **SEPTEMBER, 1995**

Attest: Jerry L. Langley
EXECUTIVE SECRETARY

Ricki Helfer
CHAIRMAN OF THE BOARD OF DIRECTORS

STATEMENT OF COMMUNITY INVOLVEMENT

Huntington is committed to serving the people, businesses, and non-profit organizations in the greater Chicagoland area. From driving the local economy with first-rate financial services, to donating time and money toward local causes, Huntington is dedicated to helping this corner of the world thrive.

Huntington has a long and distinguished history of supporting programs throughout Chicago and its suburbs, designed to enrich the community. The breadth and depth of these community efforts range from multimillion-dollar programs aimed at the revitalization of major parts of cities to the individual volunteer efforts of Huntington associates at all levels of the company. These programs are innovative and creative, and thanks to the partnership between Huntington and local governments and nonprofits, they help solve area issues.

KEY INITIATIVES

FOOD SECURITY

In every county across the U.S., thousands of hardworking families struggle to put food on their tables. From volunteering at food banks to providing meals to the homeless, colleagues across Huntington's footprint have worked with community partners to help provide members of the community with healthy food options. Huntington began working with the food bank during the height of COVID-19 and has expanded the partnership to include on-site volunteerism.

One in five households in the Chicago metro area experience food insecurity, including one in four families with children. In partnership with the Greater Chicago Food Depository, Northern Illinois Food Bank, Northfield Food Pantry, Nourishing Hope and other community services agencies, Huntington colleagues volunteered onsite assisting with repacking fresh fruit and vegetables and other housing staples into prepared boxes for distribution to participating food pantries, soup kitchens and shelters and individuals across Cook County in the Illinois Region. Because a lot of food that the Greater Chicago Food Depository and Northern Illinois Food Bank receives at its warehouses comes in bulk quantities, the organizations needed volunteers to help break products down into more manageable sizes. Huntington's volunteers packed fresh fruits and bulk dry goods into manageable meals for low-to-moderate income residents in need of quality food.

In another effort in Illinois, Huntington colleagues stepped in to assist The Salvation Army – Chicago with one of its food projects. The organization annually provides more than one million nutritious meals for seniors, children, and families. This division of the national organization has food pantries in more than 25 locations throughout the Chicagoland area. To help combat hunger in Chicago, colleagues helped assemble 3,000 holiday dinner food boxes for households experiencing food insecurity. These boxes included shelf-stable pantry items, bread, cereals, meat, and other household necessities.

WORKFORCE DEVELOPMENT

For the past 10 years, Huntington has supported the Chicago Summer Business Institute (CSBI), a paid summer internship program for Chicago area high school students. The CSBI matches local high school students from low-to-moderate income families with leading companies to provide meaningful summer jobs and expose them to professional life in the financial services sector. During their time with the companies, participants gain skills that will transfer to college and into their future careers.

Participation in this program provided students an opportunity to- experience a paid summer internship that could help further their careers after high school. The exposure gained through this program will help students make better career choices. Additionally, working in a professional se�ng offered the interns a sense of what working would be like after college: the challenges, the responsibilities, and the feeling of accomplishment from a job well done.

Huntington has been a long-time supporter of the Association House of Chicago, who facilitates financial careers training (FCT) for low-to-moderate income individuals. FCT is designed to reduce barriers to employment and economic mobility, especially for Black and Latino(a)/x community members and provide training, certification, and job readiness so that community members are prepared for entry level positions in the financial industry that pay a living wage and offer benefits as well as opportunities for career advancement. Participants complete an 8-week training using BankWork$ curriculum while also receiving financial literacy workshops, budgeting and credit counseling, and career navigation. Participants obtain a Universal Banker Certificate, an industry-recognized credential through the American Bankers Association (ABA). Upon completion of the training period, participants take partake in a graduation and hiring fair where they are introduced to potential employers and placed in full-time positions.

AFFORDABLE HOUSING

At Huntington, we strive to make people's lives better and strengthen the communities we serve. As such, we always look for opportunities to support the very people who keep our economies afloat. Huntington regularly engages in product development activities, and

Huntington Home for Good is a result of our continuous efforts to identify ways to expand affordable, sustainable access to homeownership to all consumers it serves.

Huntington mortgage lenders partner with various HUD Certified agencies and their HUD certified counselors to deliver homeownership educational workshops. Our Mortgage Loan Officers have partnered with the Oak Park Regional Housing Center's (OPRHC), helping them deliver upon their mission to achieve meaningful and lasting diversity in Oak Park and within the city of Chicago closely aligns with Huntington's endeavor to support racial and social equity initiatives and enrich the lives of low to moderate-income households through homeownership. OPRHC works tirelessly to promote and sustain diverse communities through proactive programming that leverages an individual's action to affect long-lasting structural and familial change. While working to provide open housing for all, their programming is primarily designed to serve the needs of low- to moderate-income people of color and other groups protected by civil rights and fair housing laws.

Earlier this year, Huntington National Bank launched a new home mortgage product that helps historically under-resourced communities. Our Home for Good product is a direct reflection of Huntington's purpose to make people's lives better and strengthen the communities we serve. It complements the bank's current mortgage programs while helping build generational wealth through homeownership in historically under-resourced communities. Home for Good provides equitable access to credit for people who may have encountered barriers to fulfilling their dreams of homeownership.

Thanks to the recently launched Huntington Home for Good lending product, which is designed to support applicants in historically under-resourced communities, an Illinois mother-daughter duo has achieved their dream of homeownership.

When a Huntington customer's father passed away, buying a home was the last thing on her mind. After saving all year, the consumer and her mother, Virginia, decided to give it a shot. Andrea applied for a mortgage loan with a different lender and quickly learned that she did not qualify. That's when she turned to North West Housing Partnership, a Chicago nonprofit, for help.

The nonprofit gave our Huntington Mortgage Loan Officer a call and connected her with their client. Our Home Lending Mortgage Officers regularly speaks with non-profit HUD counseling agencies on topics like financial literacy, homeownership, and Huntington's mortgage products and resources.

Our Mortgage Lending Officer introduced the NWHP client to the Home for Good product and was able to help this mother-daughter duo buy a home, cover much of their closing costs, and qualify them for an additional $2,000 grant.

FINANCIAL EDUCATION
At Huntington, we are guided by our purpose of looking out for people—and as always, our priority is the safety and security of our customers, colleagues, and communities. Many people are feeling financial uncertainty at this time and our financial empowerment programs can help protect people from fraud and scams and promote financial wellbeing. Huntington is committed to driving economic empowerments for all. We are proud to partner with Junior Achievement (JA) and other organizations to help educate critical audiences.

In Chicago, colleagues taught Junior Achievement (JA) curriculum that included financial skills-building activities to low- income students. Volunteers from various bank segments teach students about distinguishing a need from a want, making money-smart decisions, creating a business, career readiness and job- hunting skills. Colleagues across the footprint gather to provide financial education to students at various elementary, middle, and high school students across Illinois. The financial education presentations provided pre-K through 12th grade students with an introduction to topics ranging from financial basics to entrepreneurship. These lessons have proven effective, with more than 80% of JA alums indicating their experience made them think of new work experiences or career paths. As one teacher shared, "…the day was about personal interactions that helped students learn about the business world outside of school."

Huntington colleagues host senior adult financial empowerment interactive workshops in partnership with Mercy Housing Lakefront (MHL) and their residential case managers. These workshops include tips to help keep Seniors and their money safe. Topics covered will be avoiding financial exploitation, guarding against identity theft, planning for unexpected life events, preparing for financial disasters, helpful resources on managing money, understanding common scams, importance of smart money decisions and reporting financial exploitation.

SMALL BUSINESS
As an extension of Huntington's Lift Local Business program, the bank partners with nonprofit organizations across the footprint to execute Small Business Seeds for Growth entrepreneurial events. These events provide an opportunity for small business owners and community members to learn more about starting and growing a business, leveraging support resources, and understanding local pathways to capital.

Huntington hosted a "Small Business Seeds for Growth" event in Chicago for small business owners and entrepreneurs in partnership with the Women's Business Development Center (WBDC). The event included information on access to capital resources, loan information, panel discussions, small business pitches and networking for attendees. Huntington has partnered with the WBDC for several years, supporting the organization's clients, providing funding for the WBDC's business financial boot camps and other access to capital events in Illinois that support equity, diversity, and inclusion.

RACIAL & SOCIAL EQUITY

Huntington placed special emphasis on Diversity, Equity, and Inclusion initiatives within Illinois, to strengthen customers, businesses and organizations that represent diverse demographics and to advance meaningful and systemic change.

Huntington hosted a Diversity, Equity, and Inclusion (DEI) Summit in Chicago convening community leaders and government officials to discuss housing equity in underserved and under-resourced communities.

The summit focused on building wealth through homeownership – from getting residents home-ready to helping seniors and heirs keep their homes in their families. The convening also included a discussion about the shortage of home appraisers in the U.S. – in particular, appraisers of color. Freddie Mac shared information about a unique program that it established, in partnership with Huntington, to help lower the barriers in this profession and address the shortage of this critical role in the home ownership experience.

The meeting allowed participants to network, build connections with different community partners, and hear from a panel of experts from several organizations including: the Woodstock Institute, Chicago Urban League, Housing Action Illinois, Spanish Coalition for Housing, Neighborhood Housing Services of Chicago, Freddie Mac.

In addition, Huntington supports LISC Chicago YIELD initiative. The goal of Yield is to build capacity of commercial real estate developers of color in Chicago; support local wealth creation; and help bring visions of authentic neighborhood projects to fruition in south and west side Chicago communities. Yield provides customized coaching on each developer's proposed commercial real estate development project(s); a learning network of peers and handpicked advisors from across Chicago's commercial real estate development industry; presentations and technical trainings on key topics; and special access to professional resources via a complimentary ULI membership and subsidized course offerings.

Huntington has been a longtime supporter of the Housing Action Illinois Career Path Program. Housing Action, in partnership with the National Housing Resource Center (NHRC), launched the Housing Counseling Career Path—a career training and recruitment project with a mission-driven message of service and social equity, targeting recruits who represent communities served, providing an immersive workforce training program, and for those who pass the federally-mandated certification exam, employment opportunities and placement with high-impact counseling agencies throughout Illinois and the nation. working with partners, including UNIDOS US, to recruit participants. Their recruitment efforts have also focused on students from Historically Black Colleges and Universities (HBCUs), as well as Chicago-area colleges. In addition, we continue to work with housing counseling agencies to engage with past clients, with the goal of cultivating a workforce that represents the diverse communities within Illinois.

LIFT LOCAL

Huntington now provides a new loan option with longer-terms, overdraft fee relief, and waived fees so that all business owners from all walks of life, backgrounds, ethnicities, and experiences can succeed in their industry. Huntington is well-versed in the unique challenges faced by woman-, veteran-, and racially and ethnically diverse-owned businesses.

Features:

- Qualify for loan amounts from $1,000-%150,000
- Access to capital at a low cost to your business
- Zero origination fees
- Huntington pays your SBA fees
- Lower credit score requirements
- Free financial education courses ($1,500 value) powered by Operation Hope
- No monthly service fee checking account† with 24–Hour Grace® overdraft and return fee relief††
- Longer repayment terms to help avoid high payments in uncertain times

†We will begin waiving the $20 Monthly Account Service Fee on your Unlimited Business Checking Account in the month you close on your loan under our Community Plan. This fee waiver will continue for thirty-six months or as long as you have an outstanding loan balance, whichever comes first. Only the Account Monthly Service Fee is waived and all other account charges apply as outlined on the Business Account Charges Form.

††Your account will be closed if it is negative by any amount for 60 days, including if your account is overdrawn within our $50 Safety Zone. Learn more at huntington.com/BusinessSafetyZone and huntington.com/BusinessGrace. The 24-Hour Grace system and method is patented: U.S. Pat No. 8,364,581, 8,781,955, 10,475,118, and others pending.

Huntington has conducted several Lift Local Business events through the following partners:

- Sunshine Enterprises
- Oak Park Regional Housing Center
- Chicago Community Loan Fund
- Womens Business Development Center

Huntington has also supported several agencies that distribute food to low-to-moderate income households:

- Greater Chicago Food Depository
- Northern Illinois Food Bank
- Nourishing Hope (Formerly, Lakeview Food Pantry)

OUR COMMUNITY

Huntington is a full-service banking provider primarily operating across an eleven-state banking franchise of Ohio, Colorado, Illinois, Indiana, Kentucky, Michigan, Minnesota, Pennsylvania, South Dakota, and West Virginia. Our extended/national products provide for the specialized financial requirements of our customers throughout the United States.

Our “Welcome” philosophy centers around deep relationship-building capabilities to best meet each customer’s specific needs.

Your people make your business successful. Let us be part of that team. Like the individuals who work for you, your business needs are unique to your industry, your region, your size, and so much more. We take time to get to know your business as well as you do so we can help you achieve your goals, financial or otherwise.

LOOKING OUT FOR OUR COMMUNITIES

Huntington has committed to a five-year, $40 billion Strategic Community Plan to strengthen small businesses and foster economic justice throughout our footprint.

Racial & Social Equity

Allocate significant dollars to minority borrowers and communities to advance meaningful and systemic change

Community Development Lending & Investing

$6.5 billion commitment in loans and investments to establish programs and services that foster equity in affordable housing, small business financing, and community services; $2 billion will focus on minority initiatives

Home & Consumer Lending

Affordable housing and consumer lending goal of $24 billion; $12 billion is committed to meeting the needs of minority and under-resourced populations

Small Business

Expand lending programs into our new footprint and commit $10 billion; $2 billion will focus on lending to minority-owned businesses or businesses operating in majority-minority communities

BUILDING ECONOMICALLY INCLUSIVE COMMUNITIES

$2.8 billion in community development loans and investments

329 community development loans supporting affordable housing

2,968 families in mortgage distress assisted through the Home Savers program

26.2% of branches in low- to moderate-income areas

#1 originator in SBA 7(a) loans

SERVING OUR COMMUNITIES

Made progress towards **35% reduction** in emissions, paper and water use, and waste to landfill by 2027

Increased investments in our communities by committing **$40 billion** toward a new Strategic Community Plan

$7.6 billion invested toward Community Plan in 2021, with emphasis on Small Business, Home and Consumer Leading, and Community Development, Lending, and Investing.

Highest rated regional bank and second bank overall in Barron's list of The 100 Most Sustainable U.S. Companies Right Now*

RECENT BEST EMPLOYER AWARDS

MOST RESPONSIBLE COMPANIES

Newsweek 2023

Source: U.S. Small Business Administration (SBA) for fiscal year ending September 30, 2022.
**Barron's* and Calvert 2023 study of the 1,000 largest publicly traded companies by market value

COMMUNITY REINVESTMENT ACT

As of May 4, 2020, Huntington's overall Community Investment Act (CRA) Rating is **Outstanding**.

Huntington has earned a reputation for strong community involvement and supportive civic leadership. This strategic business and philanthropic investment fosters self-sufficiency through economic development, financial education, and social services. Huntington believes that developing relationships and investing in local nonprofit/charitable organizations builds healthy and vibrant communities.

Huntington's complete Community Reinvestment Act Performance Evaluation is available here:

https://www.huntington.com/-/media/pdf/public-file/HNB-CRA-PE---April-2021.pdf?rev=2f7b272d7c554433bca4e52d6e14748f

AFFIDAVIT OF COMMITMENT TO COMMUNITY REINVESTMENT, RESPONSIBILITY AND TRANSPARENCY
CITY OF CHICAGO OFFICE OF THE COMPTROLLER

I, Kyle Sneed, a duly authorized representative of Huntington National Bank represent and say as follows:

That for the purpose of becoming an eligible depository for active deposits of the City of Chicago, the undersigned Affiant states that it will use reasonable efforts to provide lending, financing, and banking opportunities as a commitment of community reinvestment to Chicago's low and moderate income (LMI) communities; Affiant states that such reasonable efforts shall include, but are not limited to:

A. Assignment of identifiable personnel to answer and respond to questions, concerns and inquiries by the citizens of Chicago, City Treasurer, City Comptroller, and the City Council regarding financial services, investment and lending products, services and related issues, including the Community Reinvestment Act (CRA) of 1977;

B. Cooperate with and support non-profit neighborhood development/redevelopment organizations in the implementation of "neighborhood economic development" strategies that focus on revitalization of communities that are more locally focused where an institution has a branch or market presence;

C. Commit to affirmatively market and make available banking services throughout Chicago's low and moderate income communities, by not meeting this commitment only through the installation of ATM distribution centers, but also by opening and/or maintaining branch locations within those communities;

D. Prepare an annual report of CRA activities, presented to the Comptroller, the Treasurer, and the City Council, that is made publicly available, demonstrating investment in all Chicago Communities, as well as reinvestment in LMI communities of Chicago, by community area that includes the number of loans and amount of loans in the following (6) categories:

1. Home Purchase within LMI communities;
2. Refinancing within LMI communities;
3. Home Improvement;
4. Small Business Loans (to companies with revenues under $1 Million);
5. Community Development Loans including multi-family lending; and
6. Community Development Investments to eligible Community Development Financial Institutions (CDFI) and other community intermediaries to further the goals of an institution to meet its obligations to the Community Reinvestment Act of 1977 and this Affidavit.

Such a Municipal Depository annual CRA report will include, by community area, the number of mortgage loans originated and other strategies to minimize the impact of foreclosure and neighborhood instability.

E. An institution acknowledges that failure to comply with this Affidavit may result in discontinued status as a municipal depository.

Signed: Kyle Sneed ____________________ Dated: 11/6/2023

Print Name: Kyle Sneed Title: Vice President, Institutional Government & Nonprofit Banking

FORM 10-K

Huntington is proud of our financial performance. Details of our consolidated financial statements can be found beginning on page 90 of our 2022 Annual Report, which is available online here:
https://ir.huntington.com/company-information/annual-reports-proxy-statements

Yearly financial statements for Huntington can be found online:
http://huntington-ir.com/fin/10k/
These statements are updated after the end of the fiscal year.

Quarterly financial statements can be found online:
http://huntington-ir.com/fin/10q/
These statements are updated at the end of each quarter.

EEOC ENTERPRISE-WIDE AND CHICAGO DIVERSITY DATA

Huntington is providing its most recent EEOC Consolidated Report filing in lieu of the Excel file the City has provided. Huntington has made this decision because the requested information from the City does not include all the employee race and ethnicity categories that Huntington reports. For example, Huntington also has an additional category for Native Hawaiian or Pacific Islander. Huntington also has additional job categories, such as splitting the Officials and Managers categories into both Executive/Senior Officials and Managers and First/Mid Officials and Managers.

Firm Name:	Huntington National Bank
Primary Representative:	Kyle Sneed
Primary Representative Email and Telephone:	kyle.sneed@huntington.com (312) 429-3604
Headquarters Address:	41 S. High Street, Columbus, OH 43287
Chicago Public Finance Office Address:	222 N. LaSalle Street, Chicago, IL 60601
Total Number of Employees:	19,826 (as of 06/2023)
Number of Employees in Illinois:	1,373 (as of 09/30/2023)
Number of Employees in Chicago:	376 (as of 09/30/2023)
Capital Position:	n/a
Minority Designation:	n/a

Please see the following page for Huntington's most recent filed EEO1 Consolidated Report. For more detail, please visit http://huntington-ir.com/main/dei_reports1.htm.

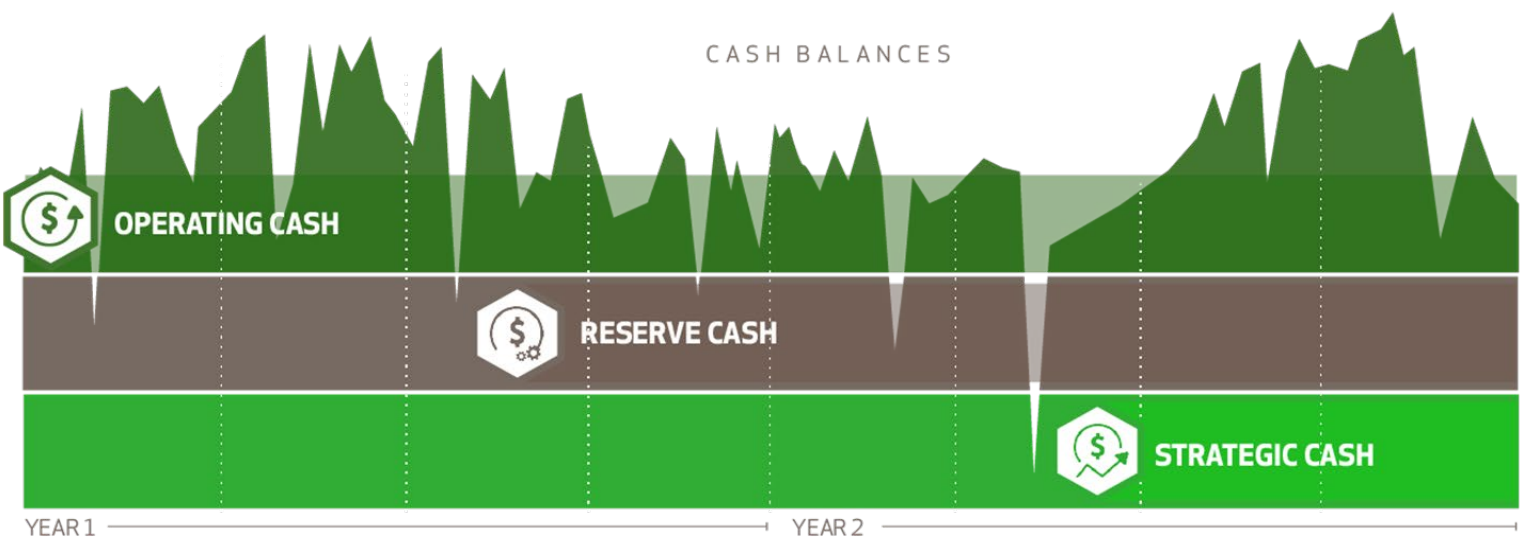
ADDITIONAL INFORMATION

In the following pages please see additional documents Huntington finds relevant to the City of Chicago relationship.

CONNECTING YOU TO HOLISTIC LIQUIDITY STRATEGIES

Optimize cash flow through liquidity solutions designed for large businesses with complex financial operations.

Our goal is to help you efficiently manage your cash flow. Huntington's deposit accounts, liquidity management, and treasury management services are well-suited to help assist you with financial operations that require integrated management and detailed reporting.



OPERATING CASH	RESERVE CASH	STRATEGIC CASH
Time: < 3 months	**Time:** 3-12 months	**Time:** >12 months
Uses: Daily operations + reserve for emergencies	**Uses:** Cash for periodic needs (i.e., taxes, dividends, R&D, etc.) and other intermediate-term planned/unplanned expenditures	**Uses:** Reserves which may or may not have future targeted uses
Volatility: Very High	**Volatility:** Low to medium	**Volatility:** Low
Objectives: Preservation of Capital, Immediate Liquidity, Treasury Management Services	**Objectives:** Balanced focus on capital preservation, incremental return and liquidity	**Objectives:** Enhanced return and capital preservation

Huntington
COMMERCIAL BANK

SOLUTIONS ACROSS THE LIQUIDITY SPECTRUM

OPERATING CASH

- Demand Deposit Accounts
- Hybrid Solutions
- Interest Checking Accounts

RESERVE CASH

- Extended FDIC Insurance Programs
- Liquidity Portal (Money Market Funds)
- Money Market Accounts
- Sweep Accounts
- Notice Accounts
- Commercial Paper/Agency Discount Notes

STRATEGIC CASH

- Liquidity Portal (Bond Funds)
- Government & Municipal Bonds
- Agency Bonds
- Corporate Bonds
- Managed Solutions

WELCOME TO HUNTINGTON

TOP 25
U.S. Bank Holding Company

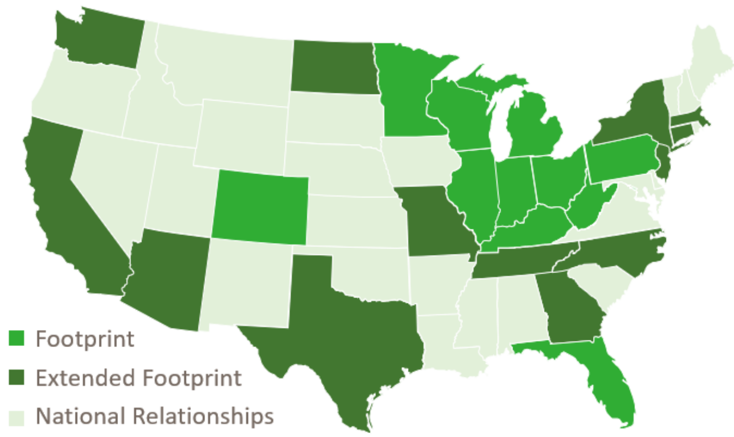
A-/A3
Opco Credit Rating[1]

$189B
Total Assets

$148B
Total Deposits

4X INCREASE
To Commercial Bank Size[2]

BEST BRAND
Greenwich Awards*



Significant Scale & Reach

LET'S CONNECT.

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* Coalition Greenwich U.S. Commercial Banking Program. Best Brand winner for Trust, Ease of Doing Business, Values Long-Term Relationships, Likelihood to Recommend
1. Standard & Poor's Corporation, New York, New York / Moody's Investors Service New York, New York

CERTIFICATE
BYLAWS OF
THE HUNTINGTON NATIONAL BANK
ARTICLE VIII, SECTION 8.2

Section 8.2. Signing Authority. All agreements, contracts, indentures, mortgages, deeds, conveyances, leases, assignments, notes, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted in behalf of the Association by the Chairman, any Vice Chairman, the President, the Chief Executive Officer, any Regional President, any Vice President (however designated), the Secretary, any Assistant Secretary, the Treasurer, or the Cashier, and, if in connection with the exercise of fiduciary powers of the Association by any of said officers or by any Trust Officer, Assistant Trust Officer, Assistant Vice President or any other officer employed in the Trust Department. Any such instruments may also be executed, acknowledged, verified, delivered or accepted in behalf of the Association in such other manner and by such other officers and employees as the Board of Directors may from time to time direct. The provisions of this Section 8.2 are supplementary to any other provision of these Bylaws.

****

I, Erin Siegfried, Assistant Secretary of The Huntington National Bank, hereby certify that the foregoing is a true and correct copy of Article VIII, Section 8.2 of the Bylaws of The Huntington National Bank, now in full force and effect, and that Kyle Brandon Sneed is a duly elected, qualified and acting Vice President of The Huntington National Bank.

Dated this March 16, 2021 at Columbus, Ohio.

THE HUNTINGTON NATIONAL BANK SEAL COLUMBUS, OHIO

Erin J. Siegfried

ERIN SIEGFRIED
ASSISTANT SECRETARY
THE HUNTINGTON NATIONAL BANK

WELCOME TO HUNTINGTON

Our purpose drives our performance and our commitment to corporate social responsibility and sustainability is an integrated part of how our businesses operate and how we serve our colleagues, customers, and communities.

For over 150 years, Huntington has taken pride in being an integral part of supporting commerce and growth.

"Our purpose is to make people's lives better, help businesses thrive, and strengthen the communities we serve.

Our advocacy is about putting yourself in someone else's shoes, looking out for them, and being a champion for our customers."

Carrie Birch
Huntington Customer Advocacy Director

Key figures as of Q3 2023

TOTAL REVENUE
$1.89B

TOTAL ASSETS
$187B

COMMON EQUITY TIER 1
10.10%

TOTAL LOANS
$121B

TANGIBLE COMMON EQUITY
5.70%

TOTAL DEPOSITS
$149B

FOUNDED IN
1866

TOTAL BRANCHES
1000+

YOUR HUNTINGTON TEAM

Kyle Sneed
VP, Government Banking Relationship Manager
(773) 991-4970
kyle.sneed@huntington.com

Steve Abbey
SVP, Managing Director of Institutional Government & Non-Profit
(312) 263-0206
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Trea Fotidzis
VP, Treasury Management Advisor
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trea.a.fotidzis@huntington.com

Sara Kozil
AVP, Treasury Management Specialist
(312) 775-4914
sara.kozil@huntington.com

GREENWICH AWARDS

We owe it all to you.

Huntington’s award-winning services focus on overall customer satisfaction, ease of doing business, and maintaining trust in our relationships.

We don’t do it for the awards, but it’s nice to be recognized. Our recent recognition includes:

MIDDLE MARKET BANKING

- Best Brand – Ease of Doing Business
- Best Brand – Trust
- Best Brand – Values Long-Term Relationships
- Cash Management – Customer Service
- Cash Management – Ease of Product Implementation
- Cash Management – Overall Satisfaction
- Cash Management – Overall Satisfaction (Midwest)
- Cash Management – Product Capabilities
- Overall Satisfaction
- Overall Satisfaction with RM
- RM Proactively Provides Advice

Greenwich Excellence 2022

Greenwich Best Brand 2022

National and Regional awards
Source: Coalition Greenwich 2022 U.S. Commercial Banking Program

DISCLOSURES

These materials have been prepared by The Huntington National Bank (HNB) and are provided for informational or illustration purposes only. Nothing herein shall be construed as an advertisement or offer to buy or sell any Huntington product, nor shall the information be considered advice or a recommendation to enter into or refrain from any transaction. Any statements, including opinions and recent quotations on rates and products, are subject to change without notice. The content presented within this material is based upon information that HNB believes is reliable, but HNB does not warrant its completeness or accuracy, and it should not be relied upon as such. Additional information to what is presented in this material can be made available upon request. HNB does not provide accounting, legal, or tax advice; you should consult with your accounting, legal, or tax advisor(s) on such matters. HNB is a wholly-owned subsidiary of Huntington Bancshares Incorporated.

HNB and its affiliated companies, and their respective directors, officers, and employees, expressly decline and are not responsible for any liability for loss or damage whatsoever caused by or related to the use of information contained in these materials.

The Huntington National Bank is an Equal Housing Lender and Member FDIC. The ®, Huntington® and Huntington. Welcome® are federally registered service marks of Huntington Bancshares Incorporated.

Lending and leasing products and services, as well as certain other banking products and services, may require credit approval.

Huntington Capital Markets® is a federally registered service mark and a trade name under which investment banking, securities underwriting, securities sales and trading, foreign exchange and derivatives services of Huntington Bancshares Incorporated and its subsidiaries, Huntington Securities, Inc. and The Huntington National Bank, are marketed. Securities products and services are offered by licensed securities representatives of Huntington Securities, Inc., registered broker-dealer and member, FINRA and SIPC. Banking products and services are offered by The Huntington National Bank, Member FDIC.

Capstone Partners is a trade name under which financial advisory and certain investment banking services of Huntington Bancshares Incorporated are marketed. Securities products and services are offered by licensed securities representatives of Capstone Capital Markets LLC, registered broker-dealer and member, FINRA and SIPC.

Huntington Insurance, Inc.

Insurance products are offered by Huntington Insurance, Inc., a licensed agency and a wholly-owned subsidiary of Huntington Bancshares Incorporated and underwritten by third party insurance carriers not affiliated with Huntington Insurance, Inc.

HBI Title Services, Inc.

Title Insurance products are offered by HBI Title Services, Inc., a subsidiary of Huntington Bancshares Incorporated and a licensed title agency authorized to sell title insurance in the following states – CO, FL, IL, IN, KY, MI, MN, OH, PA, SD, TN, WI and WV.

Huntington Private Bank®

Huntington Private Bank® is a team of professionals dedicated to delivering a full range of wealth and financial services. The team is comprised of Private Bankers, who offer premium banking solutions, Wealth and Investment Management professionals, who provide, among other services, trust and estate administration and portfolio management from The Huntington National Bank, and licensed investment representatives of The Huntington Investment Company, which offers securities and investment advisory services. Huntington Private Bank® is a federally registered service mark of Huntington Bancshares Incorporated.

Trust and investment management services are provided by The Huntington National Bank, a national bank with fiduciary powers.

Huntington Financial Advisors®

Huntington Financial Advisors® is a federally registered service mark and a trade name under which The Huntington Investment Company offers securities and insurance products and services. The Huntington Investment Company is a registered broker-dealer, member FINRA and SIPC, and registered investment adviser with the U.S. Securities and Exchange Commission (SEC). The Huntington Investment Company is a wholly-owned subsidiary of Huntington Bancshares Incorporated.

Investment, Insurance and Non-Deposit Trust products are: NOT A DEPOSIT • NOT FDIC INSURED • NOT GUARANTEED BY THE BANK • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • MAY LOSE VALUE

Thank you.

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