

HUNTINGTON BANCSHARES INC/MD

Form 10-Q

July 30, 2014

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

QUARTERLY PERIOD ENDED June 30, 2014

Commission File Number 1-34073

Huntington Bancshares Incorporated

Maryland
(State or other jurisdiction of
incorporation or organization)

41 South High Street, Columbus, Ohio 43287

31-0724920
(I.R.S. Employer
Identification No.)

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Registrant's telephone number (614) 480-8300

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

There were 817,002,296 shares of Registrant's common stock (\$0.01 par value) outstanding on June 30, 2014.

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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:

2013 Form 10-K	Annual Report on Form 10-K for the year ended December 31, 2013
ABL	Asset Based Lending
ACL	Allowance for Credit Losses
AFCRE	Automobile Finance and Commercial Real Estate
AFS	Available-for-Sale
ALCO	Asset-Liability Management Committee
ALLL	Allowance for Loan and Lease Losses
ARM	Adjustable Rate Mortgage
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	Automated Teller Machine
AULC	Allowance for Unfunded Loan Commitments
AVM	Automated Valuation Methodology
Basel III	Refers to the final rule issued by the FRB and OCC and published in the Federal Register on October 11, 2013
BHC	Bank Holding Companies
C&I	Commercial and Industrial
Camco Financial	Camco Financial Corp.
CCAR	Comprehensive Capital Analysis and Review
CDO	Collateralized Debt Obligations
CDs	Certificate of Deposit
CFPB	Bureau of Consumer Financial Protection
CMO	Collateralized Mortgage Obligations
CRE	Commercial Real Estate
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
EPS	Earnings Per Share
ERISA	Employee Retirement Income Security Act
EVE	Economic Value of Equity
Fannie Mae	(see FNMA)
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FDICIA	Federal Deposit Insurance Corporation Improvement Act of 1991
FHA	Federal Housing Administration
FHFA	Federal Housing Finance Agency

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FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FICA	Federal Insurance Contributions Act
FICO	Fair Isaac Corporation
FNMA	Federal National Mortgage Association
FRB	Federal Reserve Bank
Freddie Mac	(see FHLMC)
FTE	Fully-Taxable Equivalent
FTP	Funds Transfer Pricing
GAAP	Generally Accepted Accounting Principles in the United States of America

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HAMP	Home Affordable Modification Program
HARP	Home Affordable Refinance Program
HIP	Huntington Investment and Tax Savings Plan
HQLA	High Quality Liquid Asset
HTM	Held-to-Maturity
IRC	Internal Revenue Code of 1986, as amended
IRS	Internal Revenue Service
ISE	Interest Sensitive Earnings
LCR	Liquidity Coverage Ratio
LIBOR	London Interbank Offered Rate
LGD	Loss-Given-Default
LIHTC	Low Income Housing Tax Credit
LTV	Loan to Value
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MSA	Metropolitan Statistical Area
MSR	Mortgage Servicing Rights
NALs	Nonaccrual Loans
NAV	Net Asset Value
NCO	Net Charge-off
NIM	Net Interest Margin
NCUA	National Credit Union Administration
NPAs	Nonperforming Assets
NPR	Notice of Proposed Rulemaking
N.R.	Not relevant. Denominator of calculation is a gain in the current period compared with a loss in the prior period, or vice-versa
NSF / OD	Nonsufficient Funds and Overdraft
OCC	Office of the Comptroller of the Currency
OCI	Other Comprehensive Income (Loss)
OCR	Optimal Customer Relationship
OLEM	Other Loans Especially Mentioned
OREO	Other Real Estate Owned
OTTI	Other-Than-Temporary Impairment
PD	Probability-Of-Default
Plan	Huntington Bancshares Retirement Plan
Problem Loans	Includes nonaccrual loans and leases (Table 15), troubled debt restructured loans (Table 16), accruing loans and leases past due 90 days or more (aging analysis section of Footnote 3), and Criticized commercial loans (credit quality indicators section of Footnote 3).
REIT	Real Estate Investment Trust

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Reg E	Regulation E, of the Electronic Fund Transfer Act
RBHPCG	Regional Banking and The Huntington Private Client Group
ROC	Risk Oversight Committee
SAD	Special Assets Division
SBA	Small Business Administration
SEC	Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
Sky Financial	Sky Financial Group, Inc.
SRIP	Supplemental Retirement Income Plan

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TCE	Tangible Common Equity
TDR	Troubled Debt Restructured Loan
TLGP	Temporary Liquidity Guarantee Program
U.S. Treasury	U.S. Department of the Treasury
UCS	Uniform Classification System
UPB	Unpaid Principal Balance
USDA	U.S. Department of Agriculture
VA	U.S. Department of Veteran Affairs
VIE	Variable Interest Entity

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PART I. FINANCIAL INFORMATION

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

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

INTRODUCTION

We are a multi-state diversified regional bank holding company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Through the Bank, we have 148 years of servicing the financial needs of our customers. Through our subsidiaries, we provide full-service commercial and consumer banking services, mortgage banking services, automobile financing, equipment leasing, investment management, trust services, brokerage services, insurance service programs, and other financial products and services. Our 730 branches are located in Ohio, Michigan, Pennsylvania, Indiana, West Virginia, and Kentucky. Selected financial services and other activities are also conducted in various other states. International banking services are available through the headquarters office in Columbus, Ohio and a limited purpose office located in the Cayman Islands and another limited purpose office located in Hong Kong. Our foreign banking activities, in total or with any individual country, are not significant.

This MD&A provides information we believe necessary for understanding our financial condition, changes in financial condition, results of operations, and cash flows. The MD&A included in our Form 8-K filed on May 28, 2014 should be read in conjunction with this MD&A as this discussion provides only material updates to the Form 8-K. This MD&A should also be read in conjunction with the financial statements, notes and other information contained in this report.

Our discussion is divided into key segments:

Executive Overview Provides a summary of our current financial performance and business overview, including our thoughts on the impact of the economy, legislative and regulatory initiatives, and recent industry developments. This section also provides our outlook regarding our expectations for the next several quarters.

Discussion of Results of Operations Reviews financial performance from a consolidated Company perspective. It also includes a Significant Items section that summarizes key issues helpful for understanding performance trends. Key consolidated average balance sheet and income statement trends are also discussed in this section.

Risk Management and Capital Discusses credit, market, liquidity, operational, and compliance risks, including how these are managed, as well as performance trends. It also includes a discussion of liquidity policies, how we obtain funding, and related performance. In addition, there is a discussion of guarantees and / or commitments made for items such as standby letters of credit and commitments to sell loans, and a discussion that reviews the adequacy of capital, including regulatory capital requirements.

Business Segment Discussion Provides an overview of financial performance for each of our major business segments and provides additional discussion of trends underlying consolidated financial performance.

Additional Disclosures Provides comments on important matters including forward-looking statements, critical accounting policies and use of significant estimates, and recent accounting pronouncements and developments.

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

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EXECUTIVE OVERVIEW

Summary of 2014 Second Quarter Results

For the quarter, we reported net income of \$164.6 million, or \$0.19 per common share, compared with \$151.0 million, or \$0.17 per common share, in the year-ago quarter (*see Table 1*).

Fully-taxable equivalent net interest income was \$466.7 million for the quarter, up \$35.2 million, or 8%, from the year-ago quarter. The results reflected a \$5.9 billion, or 12%, increase in average earning assets, including a \$3.7 billion, or 9%, increase in average loans and leases, as well as a \$2.6 billion, or 28%, increase in average securities. These balance increases were partially offset by a 10 basis point decrease in the net interest margin. The primary items affecting the net interest margin were a 15 basis point negative impact from the mix and yield of earning assets, partially offset by a 5 basis point reduction in funding costs. During the 2014 second quarter, the unexpected pay-off of an acquired commercial real estate loan improved net interest income and the net interest margin by \$5.1 million and 4 basis points, respectively.

The provision for credit losses increased \$4.7 million, or 19%, from the year-ago quarter. This reflected substantial loan growth during the current quarter combined with a slight improvement in asset quality. NCOs decreased \$6.1 million, or 18%, to \$28.6 million. The consumer loan portfolios drove the majority of the decline, continuing the positive trend exhibited over the past four quarters. NCOs were an annualized 0.25% of average loans and leases in the current quarter, compared to 0.34% in the year-ago quarter.

Noninterest income decreased \$1.9 million, or less than 1%, from the year-ago quarter. The results included a \$10.9 million, or 33%, decrease in mortgage banking income, reflecting a 49% reduction in origination and secondary marketing revenue, as originations decreased 23%, and gain-on-sale margins compressed. The decline was partially offset by a \$7.1 million, or 25%, increase in other income primarily related to commercial loan fees and credit card revenue, as our new credit card products were launched last year. In addition, service charges on deposit accounts increased \$4.6 million, or 7%, reflecting an 8% consumer household and 1% commercial relationship growth and changing customer usage patterns.

Noninterest expense increased \$12.8 million, or 3%, from the year-ago quarter. The results included an \$8.6 million, or 92%, increase in professional services, \$4.8 million of which is one-time consulting expense related to strategic planning. Outside data processing and other services increased \$4.4 million, or 9%, reflecting higher debit and credit card processing costs and other technology expense. Equipment expense increased \$3.8 million, or 15%, reflecting technology investments and the near-complete rollout of enhanced ATMs. The increases were partially offset by a \$3.3 million, or 1%, decrease in personnel costs, reflecting the curtailment of the pension plan at the end of 2013, partially offset by annual compensation increases.

The tangible common equity to tangible assets ratio was 8.38%, down 38 basis points from a year ago. Our Tier 1 common risk-based capital ratio was 10.26%, down 45 basis points from a year ago. The regulatory Tier 1 risk-based capital ratio was 11.56%, down 68 basis points from a year ago. All capital ratios were impacted by the repurchase of 28.7 million common shares over the last four quarters, 12.1 million of which were repurchased during the 2014 second quarter, as well as the issuance of 8.7 million common shares as part of the Camco acquisition. The decrease in the regulatory Tier 1 risk-based capital ratio reflected the redemption of \$50 million of qualifying preferred securities on December 31, 2013 and an increase in risk-weighted assets caused by organic balance sheet growth, as well as assets acquired from Camco. These declines were partially offset by the increase in retained earnings.

Business Overview

General

Our general business objectives are: (1) grow net interest income and fee income, (2) increase cross-sell and share-of-wallet across all business segments, (3) improve efficiency ratio, (4) continue to strengthen risk management, including sustained improvement in credit metrics, and (5) maintain strong capital and liquidity positions.

We are very pleased with our second quarter performance. We have been able to grow both total revenue and net interest income year over year. Net interest income was particularly noteworthy, as average loan growth of 9% allowed us to overcome continued pressure on the net interest margin from the short-term, low, flat yield curve. We also completed \$111 million of stock buybacks during the quarter, which demonstrates our belief in the future prospects of the company and our commitment to return capital to our shareholders.

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Average loans and leases increased \$3.7 billion from the 2013 second quarter, driven by growth in commercial and auto lending, reflecting heightened consumer and business confidence in the economy. During the quarter, we announced and received approval from the OCC for the deposit purchase included with 24 branches in Michigan, which is targeted to close in September. Also during the second quarter, we were the number one SBA lender, by number of loans, in the country for the first nine months of the program's fiscal year, even though we only lend in our six-state footprint. We also gave customers more convenience during the quarter with the rollout of the Quick Balance feature to our mobile banking – one of the first of its kind in the country.

Economy

We are optimistic about the continued growth in our local economies and the growing benefit from previous investments, which are driving our robust pipelines. In addition, our footprint state unemployment rates have dropped sharply during the recovery and job growth should benefit from rising aggregate demand in the manufacturing sector in the next year. Also, housing activity and prices will likely continue on a moderate upward trend in line with long-term historical growth. Nevertheless, we continue to face a challenging regulatory and competitive environment.

2014 Expectations

Net interest income is expected to increase modestly. We anticipate an increase in earning assets as total loans moderately grow and investment securities increase modestly. However, those benefits to net interest income are expected to be partially offset by continued downward pressure on NIM. We continue to maintain a disciplined approach to loan and deposit pricing; however, asset yields remain under pressure, and the opportunity to reduce funding costs further is diminishing.

Noninterest income, excluding the impact of any net MSR activity, is expected to remain near the current quarter's level. In July, we will implement the previously announced change in our consumer service charges on deposits that is expected to have an approximate quarterly negative impact of \$6 million. We expect that continued organic consumer household and business relationship growth coupled with the completion of the Michigan branch acquisitions will help offset this reduction.

Noninterest expense, excluding one-time items, is expected to remain near the current quarter's reported level. We will continue to look for ways to reduce expenses, while not impacting our previously announced growth strategies and our high level of customer service.

Asset quality metrics are expected to trend favorably, although moderate quarterly volatility also is expected given the low level of problem assets and credit costs. NPAs are expected to show continued improvement. We anticipate NCOs will remain within or below our long-term normalized range of 35 to 55 basis points.

The effective tax rate for the remainder of 2014 is expected to be in the range of 25% to 28%, primarily reflecting the impacts of tax-exempt income, tax-advantaged investments, general business credits, and the change in accounting for investments in qualified affordable housing projects.

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

Table 1 Selected Quarterly Income Statement Data (1)

<i>(dollar amounts in thousands, except per share amounts)</i>	2014			2013	
	Second	First	Fourth	Third	Second
Interest income	\$ 495,322	\$ 472,455	\$ 469,824	\$ 462,912	\$ 462,582
Interest expense	35,274	34,949	39,175	38,060	37,645
Net interest income	460,048	437,506	430,649	424,852	424,937
Provision for credit losses	29,385	24,630	24,331	11,400	24,722
Net interest income after provision for credit losses	430,663	412,876	406,318	413,452	400,215
Service charges on deposit accounts	72,633	64,582	69,992	72,918	68,009
Mortgage banking income	22,717	23,089	24,327	23,621	33,659
Trust services	29,581	29,565	30,711	30,470	30,666
Electronic banking	26,491	23,642	24,251	24,282	23,345
Insurance income	15,996	16,496	15,556	17,269	17,187
Brokerage income	17,831	17,071	15,116	16,532	19,546
Bank owned life insurance income	13,865	13,307	13,816	13,740	15,421
Capital markets fees	10,500	9,194	12,332	12,825	12,229
Gain on sale of loans	3,914	3,570	7,144	5,063	3,348
Securities gains (losses)	490	16,970	1,239	98	(410)
Other income	36,049	30,999	35,407	36,950	28,919
Total noninterest income	250,067	248,485	249,891	253,768	251,919
Personnel costs	260,600	249,477	249,554	229,326	263,862
Outside data processing and other services	54,338	51,490	51,071	49,313	49,898
Net occupancy	28,673	33,433	31,983	35,591	27,656
Equipment	28,749	28,750	28,775	28,191	24,947
Marketing	14,832	10,686	13,704	12,271	14,239
Deposit and other insurance expense	10,599	13,718	10,056	11,155	13,460
Amortization of intangibles	9,520	9,291	10,320	10,362	10,362
Professional services	17,896	12,231	11,567	12,487	9,341
Other expense	33,429	51,045	38,979	34,640	32,100
Total noninterest expense	458,636	460,121	446,009	423,336	445,865
Income before income taxes	222,094	201,240	210,200	243,884	206,269
Provision for income taxes	57,475	52,097	52,029	65,047	55,269
Net income	\$ 164,619	\$ 149,143	\$ 158,171	\$ 178,837	\$ 151,000
Dividends on preferred shares	7,963	7,964	7,965	7,967	7,967
Net income applicable to common shares	\$ 156,656	\$ 141,179	\$ 150,206	\$ 170,870	\$ 143,033

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Average common shares basic	821,546	829,659	830,590	830,398	834,730
Average common shares diluted	834,687	842,677	842,324	841,025	843,840
Net income per common share basic	\$ 0.19	\$ 0.17	\$ 0.18	\$ 0.21	\$ 0.17
Net income per common share diluted	0.19	0.17	0.18	0.20	0.17
Cash dividends declared per common share	0.05	0.05	0.05	0.05	0.05
Return on average total assets	1.07%	1.01%	1.09%	1.27%	1.08%
Return on average common shareholders equity	10.8	9.9	10.5	12.3	10.4
Return on average tangible common shareholders equity (2)	12.4	11.3	12.1	14.2	12.1
Net interest margin (3)	3.28	3.27	3.28	3.34	3.38
Efficiency ratio (4)	62.7	66.4	63.4	60.3	63.7
Effective tax rate	25.9	25.9	24.8	26.7	26.8

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Revenue FTE					
Net interest income	\$ 460,048	\$ 437,506	\$ 430,649	\$ 424,852	\$ 424,937
FTE adjustment	6,637	5,885	8,196	6,634	6,587
Net interest income (3)	466,685	443,391	438,845	431,486	431,524
Noninterest income	250,067	248,485	249,891	253,768	251,919
Total revenue (3)	\$ 716,752	\$ 691,876	\$ 688,736	\$ 685,254	\$ 683,443

- (1) Comparisons for presented periods are impacted by a number of factors. Refer to the Significant Items for additional discussion regarding these key factors.
- (2) Net income excluding expense for amortization of intangibles for the period divided by average tangible common shareholders equity. Average tangible common shareholders equity equals average total common shareholders equity less average intangible assets and goodwill. Expense for amortization of intangibles and average intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.
- (3) On a fully-taxable equivalent (FTE) basis assuming a 35% tax rate.
- (4) Noninterest expense less amortization of intangibles and goodwill impairment divided by the sum of FTE net interest income and noninterest income excluding securities gains.

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<i>(dollar amounts in thousands, except per share amounts)</i>	Six Months Ended June 30,		Change	
	2014	2013	Amount	Percent
Interest income	\$ 967,777	\$ 927,901	\$ 39,876	4%
Interest expense	70,223	78,794	(8,571)	(11)
Net interest income	897,554	849,107	48,447	6
Provision for credit losses	54,015	54,314	(299)	(1)
Net interest income after provision for credit losses	843,539	794,793	48,746	6
Service charges on deposit accounts	137,215	128,892	8,323	6
Mortgage banking income	45,807	78,907	(33,100)	(42)
Trust services	59,146	61,826	(2,680)	(4)
Electronic banking	50,133	44,058	6,075	14
Insurance income	32,492	36,439	(3,947)	(11)
Brokerage income	34,903	37,541	(2,638)	(7)
Bank owned life insurance income	27,172	28,863	(1,691)	(6)
Capital markets fees	19,694	20,063	(369)	(2)
Gain on sale of loans	7,484	5,964	1,520	25
Securities gains (losses)	17,460	(919)	18,379	N.R.
Other income	67,046	66,903	143	
Total noninterest income	498,552	508,537	(9,985)	(2)
Personnel costs	510,077	522,757	(12,680)	(2)
Outside data processing and other services	105,828	99,163	6,665	7
Net occupancy	62,106	57,770	4,336	8
Equipment	57,499	49,827	7,672	15
Marketing	25,518	25,210	308	1
Deposit and other insurance expense	24,317	28,950	(4,633)	(16)
Amortization of intangibles	18,811	20,682	(1,871)	(9)
Professional services	30,127	16,533	13,594	82
Other expense	84,474	67,766	16,708	25
Total noninterest expense	918,757	888,658	30,099	3
Income before income taxes	423,334	414,672	8,662	2
Provision for income taxes	109,572	110,398	(826)	(1)
Net income	\$ 313,762	\$ 304,274	\$ 9,488	3%
Dividends declared on preferred shares	15,927	15,937	(10)	
Net income applicable to common shares	\$ 297,835	\$ 288,337	\$ 9,498	3%
Average common shares basic	825,603	837,917	(12,314)	(1)%
Average common shares diluted	838,546	846,274	(7,728)	(1)
Per common share				
Net income per common share basic	\$ 0.36	\$ 0.34	\$ 0.02	6%
Net income per common share diluted	0.36	0.34	0.02	6
Cash dividends declared	0.10	0.09	0.01	11

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Revenue FTE				
Net interest income	\$ 897,554	\$ 849,107	\$ 48,447	6%
FTE adjustment	12,522	12,510	12	
Net interest income (2)	910,076	861,617	48,459	6
Noninterest income	498,552	508,537	(9,985)	(2)
Total revenue (2)	\$ 1,408,628	\$ 1,370,154	\$ 38,474	3%

N.R. Not relevant, as denominator of calculation is a loss in prior period compared with income in current period.

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

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

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

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

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

Significant Items Influencing Financial Performance Comparisons

Earnings comparisons were impacted by the Significant Items summarized below:

- Camco Financial Acquisition.** During the 2014 first quarter, \$11.8 million of net one-time merger related costs were recorded related to the acquisition of Camco Financial. This resulted in a negative impact of \$0.01 per common share.
- Litigation Reserve.** During the 2014 first quarter, \$9.0 million of additions to litigation reserves were recorded as other noninterest expense. This resulted in a negative impact of \$0.01 per common share.

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

Table 3 Significant Items Influencing Earnings Performance Comparison

<i>(dollar amounts in thousands, except per share amounts)</i>	June 30, 2014		Three Months Ended March 31, 2014		June 30, 2013	
	After-tax	EPS (2)(3)	After-tax	EPS (2)(3)	After-tax	EPS (2)(3)
Net income	\$ 164,619		\$ 149,143		\$ 151,000	
Earnings per share, after-tax		\$ 0.19		\$ 0.17		\$ 0.17
Significant Items favorable (unfavorable) impact:	Earnings (1)	EPS (2)(3)	Earnings (1)	EPS (2)(3)	Earnings (1)	EPS (2)(3)
Camco Financial Acquisition			(11,823)	(0.01)		
Additions to Litigation Reserve			(9,000)	(0.01)		

(1) Pretax.

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- (2) Based on average outstanding diluted common shares
- (3) After-tax

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<i>(dollar amounts in thousands)</i>	Six Months Ended			
	June 30, 2014		June 30, 2013	
	After-tax	EPS (2)(3)	After-tax	EPS (2)(3)
Net income	\$ 313,762		\$ 304,274	
Earnings per share, after-tax		\$ 0.36		\$ 0.34
Significant Items favorable (unfavorable) impact:	Earnings (1)	EPS (2)(3)	Earnings (1)	EPS (2)(3)
Camco Financial Acquisition	\$ (11,823)	\$ (0.01)	\$	\$
Additions to Litigation Reserve	(9,000)	(0.01)		

(1) Pretax unless otherwise noted.

(2) Based on average outstanding diluted common shares

(3) After-tax

Net Interest Income / Average Balance Sheet

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

Table 4 Consolidated Quarterly Average Balance Sheets

<i>(dollar amounts in millions)</i>	Average Balances					Change	
	2014 Second	2014 First	Fourth	2013 Third	Second	2Q14 vs. 2Q13 Amount	Percent
Assets:							
Interest-bearing deposits in banks	\$ 91	\$ 83	\$ 71	\$ 54	\$ 84	\$ 7	8%
Loans held for sale	288	279	322	379	678	(390)	(58)
Securities:							
Available-for-sale and other securities:							
Taxable	6,662	6,240	5,818	6,040	6,728	(66)	(1)
Tax-exempt	1,290	1,115	548	565	591	699	118
Total available-for-sale and other securities	7,952	7,355	6,366	6,605	7,319	633	9
Trading account securities	45	38	76	76	84	(39)	(46)
Held-to-maturity securities taxable	3,677	3,783	3,038	2,139	1,711	1,966	115
Total securities	11,674	11,176	9,480	8,820	9,114	2,560	28
Loans and leases: (1)							
Commercial:							
Commercial and industrial	18,262	17,631	17,671	17,032	17,033	1,229	7
Commercial real estate:							
Construction	702	612	573	565	586	116	20
Commercial	4,345	4,289	4,331	4,345	4,429	(84)	(2)
Commercial real estate	5,047	4,901	4,904	4,910	5,015	32	1
Total commercial	23,309	22,532	22,575	21,942	22,048	1,261	6
Consumer:							
Automobile	7,349	6,786	6,502	6,075	5,283	2,066	39
Home equity	8,376	8,340	8,346	8,341	8,263	113	1
Residential mortgage	5,608	5,379	5,331	5,256	5,225	383	7
Other consumer	382	386	385	380	461	(79)	(17)

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Total consumer	21,715	20,891	20,564	20,052	19,232	2,483	13
Total loans and leases	45,024	43,423	43,139	41,994	41,280	3,744	9
Allowance for loan and lease losses	(642)	(649)	(668)	(717)	(746)	104	(14)
Net loans and leases	44,382	42,774	42,471	41,277	40,534	3,848	9
Total earning assets	57,077	54,961	53,012	51,247	51,156	5,921	12
Cash and due from banks	872	904	846	944	940	(68)	(7)
Intangible assets	591	535	542	552	563	28	5
All other assets	3,932	3,941	3,917	3,889	3,976	(44)	(1)
Total assets	\$ 61,830	\$ 59,692	\$ 57,649	\$ 55,915	\$ 55,889	\$ 5,941	11%

Table of Contents*Liabilities and Shareholders' Equity:*

Deposits:

Demand deposits noninterest-bearing	\$ 13,466	\$ 13,192	\$ 13,337	\$ 13,088	\$ 12,879	\$ 587	5%
Demand deposits interest-bearing	5,945	5,775	5,755	\$ 5,763	\$ 5,927	18	
Total demand deposits	19,411	18,967	19,092	18,851	18,806	605	3
Money market deposits	17,680	17,648	16,827	15,739	15,069	2,611	17
Savings and other domestic deposits	5,086	4,967	4,912	5,007	5,115	(29)	(1)
Core certificates of deposit	3,434	3,613	3,916	4,176	4,778	(1,344)	(28)
Total core deposits	45,611	45,195	44,747	43,773	43,768	1,843	4
Other domestic time deposits of \$250,000 or more	262	284	275	268	324	(62)	(19)
Brokered deposits and negotiable CDs	2,070	1,782	1,398	1,553	1,779	291	16
Deposits in foreign offices	315	328	354	376	316	(1)	
Total deposits	48,258	47,589	46,774	45,970	46,187	2,071	4
Short-term borrowings	939	883	629	710	701	238	34
Federal Home Loan Bank advances	1,977	1,499	851	549	757	1,220	161
Subordinated notes and other long-term debt	3,395	2,503	2,244	1,753	1,292	2,103	163
Total interest-bearing liabilities	41,103	39,282	37,161	35,894	36,058	5,045	14
All other liabilities	1,033	1,035	1,095	1,054	1,064	(31)	(3)
Shareholders' equity	6,228	6,183	6,056	5,879	5,888	340	6
Total liabilities and shareholders' equity	\$ 61,830	\$ 59,692	\$ 57,649	\$ 55,915	\$ 55,889	\$ 5,941	11%

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

Table of Contents**Table 5 Consolidated Quarterly Net Interest Margin Analysis**

	Average Rates (2)				
	2014		2013		
Fully-taxable equivalent basis (1)	Second	First	Fourth	Third	Second
Assets					
Interest-bearing deposits in banks	0.04%	0.03%	0.04%	0.07%	0.27%
Loans held for sale	4.27	3.74	4.46	3.89	3.39
Securities:					
Available-for-sale and other securities:					
Taxable	2.52	2.47	2.38	2.34	2.29
Tax-exempt	3.15	3.03	6.34	4.04	3.94
Total available-for-sale and other securities	2.63	2.55	2.72	2.48	2.42
Trading account securities	0.70	1.12	0.42	0.23	0.60
Held-to-maturity securities taxable	2.46	2.47	2.42	2.29	2.29
Total securities	2.57	2.52	2.60	2.41	2.38
Loans and leases: (3)					
Commercial:					
Commercial and industrial	3.49	3.56	3.54	3.68	3.75
Commercial real estate:					
Construction	4.29	3.99	4.04	3.91	3.93
Commercial	4.16	3.84	3.97	4.10	4.13
Commercial real estate	4.17	3.86	3.98	4.08	4.09
Total commercial	3.64	3.63	3.63	3.77	3.83
Consumer:					
Automobile	3.47	3.54	3.67	3.80	3.96
Home equity	4.12	4.12	4.11	4.10	4.16
Residential mortgage	3.77	3.78	3.77	3.81	3.82
Other consumer	7.34	6.84	6.64	6.98	6.66
Total consumer	3.87	3.89	3.93	3.99	4.07
Total loans and leases	3.75	3.75	3.77	3.87	3.95
Total earning assets	3.53%	3.53%	3.58%	3.64%	3.68%
Liabilities					
Deposits:					
Demand deposits noninterest-bearing					
Demand deposits interest-bearing	0.04	0.04	0.04	0.04	0.04
Total demand deposits	0.01	0.01	0.01	0.01	0.01
Money market deposits	0.24	0.25	0.27	0.26	0.24
Savings and other domestic deposits	0.17	0.20	0.24	0.25	0.27
Core certificates of deposit	0.81	0.94	1.05	1.05	1.13
Total core deposits	0.25	0.28	0.32	0.32	0.34

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Other domestic time deposits of \$250,000 or more	0.43	0.41	0.39	0.44	0.50
Brokered deposits and negotiable CDs	0.24	0.28	0.39	0.55	0.62
Deposits in foreign offices	0.13	0.13	0.14	0.14	0.14
Total deposits	0.25	0.28	0.32	0.33	0.36
Short-term borrowings	0.12	0.07	0.08	0.09	0.10
Federal Home Loan Bank advances	0.12	0.12	0.14	0.14	0.14
Subordinated notes and other long-term debt	1.48	1.66	2.10	2.29	2.35
Total interest-bearing liabilities	0.34%	0.36%	0.42%	0.42%	0.42%
Net interest rate spread	3.19%	3.17%	3.15%	3.20%	3.26%
Impact of noninterest-bearing funds on margin	0.09	0.10	0.13	0.14	0.12
Net interest margin	3.28%	3.27%	3.28%	3.34%	3.38%

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

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2014 Second Quarter versus 2013 Second Quarter

Fully-taxable equivalent net interest income increased \$35.2 million, or 8%, from the 2013 second quarter. This reflected the benefit from the \$3.7 billion, or 9%, of average loan growth and a \$2.6 billion, or 28%, increase in securities. This was partially offset by the 10 basis point decrease in the FTE net interest margin to 3.28%. The 15 basis point negative impact on NIM from the mix and yield of earning assets was partially offset by the 5 basis point reduction in funding costs. During the 2014 second quarter, net interest income and the NIM benefitted by \$5.1 million and 4 basis points, respectively, from the unexpected pay-off of an acquired commercial real estate loan.

Average loans and leases increased \$3.7 billion, or 9%, from the prior year, driven by:

\$2.1 billion, or 39%, increase in average automobile loans, as originations remained strong and we continued to portfolio all of the production.

\$1.2 billion, or 7%, increase in average C&I loans and leases. This reflected growth in the international and other specialty lending verticals, automobile dealer floorplan lending, and business banking.

\$0.4 billion, or 7%, increase in average residential mortgage loans as a result of increased customer demand for adjustable rate mortgages.

Average total core deposits increased \$1.9 billion, or 4%, from the year-ago quarter. Average interest-bearing liabilities increased \$5.0 billion, or 14%, from the 2013 second quarter, reflecting:

\$3.6 billion, or 130%, increase in short- and long-term borrowings, which were used to efficiently finance balance sheet growth while continuing to manage the overall cost of funds. Included in the increase are \$2.1 billion of bank-level debt and \$0.4 billion of parent-level debt issued over the past year.

\$2.6 billion, or 17%, increase in money market deposits, primarily reflecting the strategic focus on customer growth and increased share-of-wallet among both consumer and commercial customers.

\$0.6 billion, or 5%, increase in noninterest bearing deposits.

Partially offset by:

\$1.3 billion, or 28%, decrease in average core certificates of deposit due to the strategic focus on changing the funding sources to no-cost demand deposits and lower cost money market deposits.

2014 Second Quarter versus 2014 First Quarter

Compared to the 2014 first quarter, fully-taxable equivalent net interest income increased \$23.3 million, or 5%, reflecting a \$2.1 billion, or 4% increase in average earnings assets, and a 1 basis point increase in NIM.

Table of Contents**Table 6 Consolidated YTD Average Balance Sheets and Net Interest Margin Analysis**

Fully-taxable equivalent basis (1) (dollar amounts in millions)	YTD Average Balances				YTD Average Rates (2)	
	Six Months Ended June 30, 2014	2013	Change Amount	Percent	Six Months Ended June 30, 2014	2013
Assets:						
Interest-bearing deposits in banks	\$ 87	\$ 78	\$ 9	12%	0.03%	0.22%
Loans held for sale	283	694	(411)	(59)	4.01	3.35
Securities:						
Available-for-sale and other securities:						
Taxable	6,452	6,845	(393)	(6)	2.49	2.30
Tax-exempt	1,203	570	633	111	3.09	3.95
Total available-for-sale and other securities	7,655	7,415	240	3	2.59	2.43
Trading account securities	42	85	(43)	(51)	0.89	0.55
Held-to-maturity securities taxable	3,730	1,714	2,016	118	2.46	2.29
Total securities	11,427	9,214	2,213	24	2.54	2.38
Loans and leases: (3)						
Commercial:						
Commercial and industrial	17,948	16,994	954	6	3.53	3.79
Commercial real estate:						
Construction	657	592	65	11	4.15	3.99
Commercial	4,317	4,561	(244)	(5)	4.00	4.06
Commercial real estate	4,974	5,153	(179)	(3)	4.02	4.06
Total commercial	22,922	22,147	775	3	3.63	3.85
Consumer:						
Automobile	7,069	5,058	2,011	40	3.50	4.11
Home equity	8,358	8,277	81	1	4.12	4.17
Residential mortgage	5,494	5,102	392	8	3.78	3.89
Other consumer	384	488	(104)	(21)	7.09	6.76
Total consumer	21,305	18,925	2,380	13	3.88	4.15
Total loans and leases	44,227	41,072	3,155	8	3.75	3.99
Allowance for loan and lease losses	(645)	(758)	113	(15)		
Net loans and leases	43,582	40,314	3,268	8		
Total earning assets	56,024	51,058	4,966	10	3.53%	3.71%
Cash and due from banks	888	922	(34)	(4)		
Intangible assets	563	567	(4)	(1)		
All other assets	3,937	4,020	(83)	(2)		
Total assets	\$ 60,767	\$ 55,809	\$ 4,958	9%		

Liabilities and Shareholders Equity:

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Deposits:						
Demand deposits noninterest-bearing	\$ 13,330	\$ 12,524	\$ 806	6%	%	%
Demand deposits interest-bearing	5,860	5,952	(92)	(2)	0.04	0.04
Total demand deposits	19,190	18,476	714	4	0.01	0.01
Money market deposits	17,664	15,057	2,607	17	0.25	0.23
Savings and other domestic deposits	5,027	5,099	(72)	(1)	0.19	0.29
Core certificates of deposit	3,523	5,060	(1,537)	(30)	0.88	1.16
Total core deposits	45,404	43,692	1,712	4	0.27	0.36
Other domestic time deposits of \$250,000 or more	273	342	(69)	(20)	0.42	0.51
Brokered deposits and negotiable CDs	1,927	1,738	189	11	0.26	0.65
Deposits in foreign offices	322	328	(6)	(2)	0.13	0.15
Total deposits	47,926	46,100	1,826	4	0.27	0.37
Short-term borrowings	911	732	179	24	0.09	0.11
Federal Home Loan Bank advances	1,740	722	1,018	141	0.12	0.16
Subordinated notes and other long-term debt	2,951	1,320	1,631	124	1.55	2.45
Total interest-bearing liabilities	40,198	36,350	3,848	11	0.35	0.44
All other liabilities	1,034	1,074	(40)	(4)		
Shareholders equity	6,205	5,861	344	6		
Total liabilities and shareholders equity	\$ 60,767	\$ 55,809	\$ 4,958	9%		
Net interest rate spread					3.18	3.28
Impact of noninterest-bearing funds on margin					0.10	0.12
Net interest margin					3.28%	3.40%

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

2014 First Six Months versus 2013 First Six Months

Fully-taxable equivalent net interest income for the first six-month period of 2014 increased \$48.5 million, or 6% reflecting the benefit of a \$5.0 billion, or 10%, increase in average total earning assets. The fully-taxable equivalent net interest margin decreased to 3.28% from 3.40%. The increase in average earning assets reflected:

\$3.2 billion, or 8%, increase in average total loans and leases.

\$2.2 billion, or 24%, increase in securities that meet the requirement for HQLA as proposed in the LCR rules issued by the regulators in October 2013.

Partially offset by:

\$0.4 billion, or 59%, decrease in loans held for sale.

The \$3.2 billion, or 8%, increase in average total loans and leases primarily reflected:

\$2.0 billion, or 40%, increase in the average automobile portfolio as originations remained strong and we continued to portfolio all of the production. Investments in our automobile lending business throughout the Northeast and upper Midwest continue to grow as planned.

\$1.0 billion, or 6%, increase in the average C&I portfolio, primarily reflecting growth in the international and other specialty lending verticals, automobile dealer floorplan lending, and business banking.

The \$1.8 billion, or 4%, increase in average total deposits reflected:

\$2.6 billion, or 17%, increase in money market deposits, reflecting the strategic focus on customer growth and increased share-of-wallet among both consumer and commercial customers.

\$0.7 billion, or 4%, increase in total demand deposits, reflecting our focus on changing our product mix to reduce the overall cost of deposits.

Partially offset by:

\$1.5 billion, or 30%, decline in core certificates of deposit due to the strategic focus on changing the funding sources to no-cost demand deposits and lower cost money market deposits.

In addition, short- and long-term borrowings increased \$2.8 billion, or 102%, which were used to efficiently finance balance sheet growth while continuing to manage the overall cost of funds. Included in the increase are \$2.1 billion of bank-level debt and \$0.4 billion of parent-level debt.

Provision for Credit Losses

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

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

The provision expense for the quarter was significantly impacted by the substantial loan growth in the quarter, combined with the slight improvement in overall asset quality metrics. The provision for credit losses for the 2014 second quarter was \$29.4 million and increased \$4.8 million, or 19%, from the prior quarter and increased \$4.7 million, or 19%, from the year-ago quarter. The current quarter's provision for credit losses was \$0.7 million more than total NCOs for the same period. On a year-to-date basis, provision for credit losses for the first six-month period of 2014 declined \$0.3 million, or 1%, compared to year-ago period. The provision for credit losses for the first six-month period of 2014 was \$17.6 million less than total NCOs. *(See Credit Quality discussion)*. Given the low level of the provision for credit losses and the uncertain and uneven nature of the economic recovery, some degree of volatility on a quarter-to-quarter basis is expected.

Table of Contents**Noninterest Income**

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

Table 7 Noninterest Income

<i>(dollar amounts in thousands)</i>	2014		Fourth	2013		2Q14 vs 2Q13		2Q14 vs 1Q14	
	Second	First		Third	Second	Amount	Percent	Amount	Percent
Service charges on deposit accounts	\$ 72,633	\$ 64,582	\$ 69,992	\$ 72,918	\$ 68,009	\$ 4,624	7%	\$ 8,051	12%
Mortgage banking income	22,717	23,089	24,327	23,621	33,659	(10,942)	(33)	(372)	(2)
Trust services	29,581	29,565	30,711	30,470	30,666	(1,085)	(4)	16	0
Electronic banking	26,491	23,642	24,251	24,282	23,345	3,146	13	2,849	12
Insurance income	15,996	16,496	15,556	17,269	17,187	(1,191)	(7)	(500)	(3)
Brokerage income	17,831	17,071	15,116	16,532	19,546	(1,715)	(9)	760	4
Bank owned life insurance income	13,865	13,307	13,816	13,740	15,421	(1,556)	(10)	558	4
Capital markets fees	10,500	9,194	12,332	12,825	12,229	(1,729)	(14)	1,306	14
Gain on sale of loans	3,914	3,570	7,144	5,063	3,348	566	17	344	10
Securities gains (losses)	490	16,970	1,239	98	(410)	900	N.R.	(16,480)	(97)
Other income	36,049	30,999	35,407	36,950	28,919	7,130	25	5,050	16
Total noninterest income	\$ 250,067	\$ 248,485	\$ 249,891	\$ 253,768	\$ 251,919	\$ (1,852)	(1)%	\$ 1,582	1%

N.R. - Not relevant, as denominator of calculation is a loss in prior period compared with income in current period.

2014 Second Quarter versus 2013 Second Quarter

In the 2014 second quarter, noninterest income decreased \$1.9 million, or 1%, from the year-ago quarter, primarily reflecting:

\$10.9 million, or 33%, decrease in mortgage banking income, reflecting a 49% reduction in origination and secondary marketing revenue as originations decreased 23% and gain-on-sale margins compressed.

Partially offset by:

\$7.1 million, or 25%, increase in other income primarily related to commercial loan fees and credit card revenue, as our new credit card products were launched last year.

\$4.6 million, or 7%, increase in service charges on deposit accounts reflecting 8% consumer household and 1% commercial relationship growth and changing customer usage patterns.

2014 Second Quarter versus 2014 First Quarter

Compared to the 2014 first quarter, noninterest income increased \$1.6 million, or 1%. This increase reflected typical seasonality within service charges on deposit accounts, which increased \$8.1 million, or 12%, and a \$2.8 million, or 12%, increase in electronic banking. These were mostly offset by a \$16.5 million, or 97%, decrease in securities gains.

Table of Contents**2014 First Six Months versus 2013 First Six Months**

Noninterest income for the first six-month period of 2014 decreased \$10.0 million, or 2%, from the comparable year-ago period.

Table 8 Noninterest Income 2014 First Six Months vs. 2013 First Six Months

<i>(dollar amounts in thousands)</i>	Six Months Ended June 30,		Change	
	2014	2013	Amount	Percent
Service charges on deposit accounts	\$ 137,215	\$ 128,892	\$ 8,323	6%
Mortgage banking income	45,807	78,907	(33,100)	(42)
Trust services	59,146	61,826	(2,680)	(4)
Electronic banking	50,133	44,058	6,075	14
Insurance income	32,492	36,439	(3,947)	(11)
Brokerage income	34,903	37,541	(2,638)	(7)
Bank owned life insurance income	27,172	28,863	(1,691)	(6)
Capital markets fees	19,694	20,063	(369)	(2)
Gain on sale of loans	7,484	5,964	1,520	25
Securities gains (losses)	17,460	(919)	18,379	N.M.
Other income	67,046	66,903	143	
Total noninterest income	\$ 498,552	\$ 508,537	\$ (9,985)	(2)%

N.M. - Not relevant, as numerator of calculation is a loss in current period compared with gain in prior period.

The \$10.0 million, or 2%, decrease in total noninterest income reflected:

\$33.1 million, or 42%, decrease in mortgage banking income. This primarily reflected a \$26.4 million, or 48%, decrease in origination and secondary marketing income as originations decreased 32%, gain-on-sale margin compression, and a higher percentage of originations were held on the balance sheet.

Partially offset by:

\$18.4 million increase in securities gains, as we adjusted the mix of our securities portfolio to prepare for the LCR.

\$8.3 million, or 6%, increase in service charges on deposit accounts, reflecting consumer household and commercial relationship growth and changing customer usage patterns.

\$6.1 million, or 14%, increase in electronic banking income, primarily due to continued consumer household growth.

Table of Contents**Noninterest Expense**

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

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

Table 9 Noninterest Expense

(dollar amounts in thousands)	2014		Fourth	2013	Second	2Q14 vs 2Q13		2Q14 vs 1Q14	
	Second	First		Third		Amount	Percent	Amount	Percent
Personnel costs	\$ 260,600	\$ 249,477	\$ 249,554	\$ 229,326	\$ 263,862	\$ (3,262)	(1)%	\$ 11,123	4%
Outside data processing and other services	54,338	51,490	51,071	49,313	49,898	4,440	9	2,848	6
Net occupancy	28,673	33,433	31,983	35,591	27,656	1,017	4	(4,760)	(14)
Equipment	28,749	28,750	28,775	28,191	24,947	3,802	15	(1)	(0)
Marketing	14,832	10,686	13,704	12,271	14,239	593	4	4,146	39
Deposit and other insurance expense	10,599	13,718	10,056	11,155	13,460	(2,861)	(21)	(3,119)	(23)
Amortization of intangibles	9,520	9,291	10,320	10,362	10,362	(842)	(8)	229	2
Professional services	17,896	12,231	11,567	12,487	9,341	8,555	92	5,665	46
Other expense	33,429	51,045	38,979	34,640	32,100	1,329	4	(17,616)	(35)
Total noninterest expense	\$ 458,636	\$ 460,121	\$ 446,009	\$ 423,336	\$ 445,865	\$ 12,771	3 %	\$ (1,485)	(0)%
Number of employees (average full-time equivalent)	12,000	11,848	11,765	12,080	12,063	(63)	(1)	152	1

2014 Second Quarter versus 2013 Second Quarter

In the 2014 first quarter, noninterest expense increased \$12.8 million, or 3%, from the year-ago quarter, reflecting:

\$8.6 million, or 92%, increase in professional services, \$4.8 million of which is one-time consulting expense related to strategic planning.

\$4.4 million, or 9%, increase in outside data processing and other services, reflecting higher debit and credit card processing costs and other technology expense.

\$3.8 million, or 15%, increase in equipment expense, reflecting technology investments and the near-complete rollout of enhanced ATMs.

Partially offset by:

\$3.3 million, or 1%, decrease in personnel costs, reflecting the curtailment of the pension plan at the end of 2013 partially offset by annual compensation increases.

2014 Second Quarter versus 2014 First Quarter

Noninterest expense decreased \$1.5 million, or less than 1%, from the 2014 first quarter. When adjusting for the \$21.6 million of Significant Items in the 2014 first quarter, noninterest expense increased \$20.1 million. Personnel costs increased \$11.1 million, or 4%, primarily reflecting compensation and benefits increases. Marketing increased \$4.1 million, or 39%, due to the seasonal increase in campaigns and promotions. Net

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occupancy expense decreased \$4.8 million, or 14%, primarily related to the prior quarter's snow removal expenses as well as \$1.7 million of one-time expenses related to the Camco acquisition and conversion. Other expense decreased \$17.6 million, or 35%, as the 2014 first quarter included the \$9.0 million addition to litigation reserves and a \$3.0 million goodwill impairment.

Table of Contents**2014 First Six Months versus 2013 First Six Months**

Noninterest expense for the first six-month period of 2014 increased \$30.1 million, or 3%, from the comparable year-ago period.

Table 10 Noninterest Expense 2014 First Six Months vs. 2013 First Six Months

<i>(dollar amounts in thousands)</i>	Six Months Ended June 30,		Change	
	2014	2013	Amount	Percent
Personnel costs	\$ 510,077	\$ 522,757	\$ (12,680)	(2)%
Outside data processing and other services	105,828	99,163	6,665	7
Net occupancy	62,106	57,770	4,336	8
Equipment	57,499	49,827	7,672	15
Marketing	25,518	25,210	308	1
Deposit and other insurance expense	24,317	28,950	(4,633)	(16)
Amortization of intangibles	18,811	20,682	(1,871)	(9)
Professional services	30,127	16,533	13,594	82
Other expense	84,474	67,766	16,708	25
Total noninterest expense	\$ 918,757	\$ 888,658	\$ 30,099	3%

The \$30.1 million, or 3%, increase in total noninterest expense reflected:

\$16.7 million, or 25%, increase in other expense, as the 2014 first quarter included the \$9.0 million addition to litigation reserves and \$3.0 million goodwill impairment.

\$13.6 million, or 82%, increase in professional services, of which \$6.2 million is one-time consulting expenses related to strategic planning, and \$2.2 million of Camco acquisition related costs.

\$7.7 million, or 15%, increase in equipment, primarily due to technology investments and the near-complete rollout of enhanced ATMs.

\$6.7 million, or 7%, increase in outside data processing and other services, reflecting \$4.3 million of one-time merger related expenses, higher debit and credit card processing costs, and other technology expenses.

\$4.3 million, or 8%, increase in net occupancy, reflecting \$1.7 million of one-time merger related expenses and abnormally high snow removal expenses in the 2014 first quarter.

Partially offset by:

\$12.7 million, or 2%, decrease in personnel costs, primarily reflecting the curtailment of the pension plan at the end of 2013 that was partially offset by \$2.3 million of one-time Camco merger related expenses and annual compensation increases.

\$4.6 million, or 16%, decrease in deposit and other insurance.

Provision for Income Taxes

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The provision for income taxes in the 2014 second quarter was \$57.5 million and \$55.3 million in the 2013 second quarter. The provision for income taxes for the six month periods ended June 30, 2014 and June 30, 2013 was \$109.6 million and \$110.4 million, respectively. Both quarters included the benefits from tax-exempt income, tax-advantaged investments, general business credits, and the change in accounting for investments in qualified affordable housing projects. At June 30, 2014, we had a net federal deferred tax asset of \$82.0 million and a net state deferred tax asset of \$47.3 million. For regulatory capital purposes, there was no disallowed net deferred tax asset at June 30, 2014.

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We file income tax returns with the IRS and various state, city, and foreign jurisdictions. Federal income tax audits have been completed for tax years through 2009. In the first quarter of 2013, the IRS began an examination of our 2010 and 2011 consolidated federal income tax returns. We have appealed certain proposed adjustments resulting from the IRS examination of our 2006, 2007, 2008, 2009, and 2010 tax returns. We believe the tax positions taken related to such proposed adjustments are correct and supported by applicable statutes, regulations, and judicial authority, and intend to vigorously defend them. It is possible the ultimate resolution of the proposed adjustments, if unfavorable, may be material to the results of operations in the period it occurs. Nevertheless, although no assurances can be given, we believe the resolution of these examinations will not, individually or in the aggregate, have a material adverse impact on our consolidated financial position. Various state and other jurisdictions remain open to examination, including Kentucky, Indiana, Michigan, Pennsylvania, West Virginia, and Illinois.

On September 13, 2013, the IRS released final tangible property regulations under Sections 162(a) and 263(a) of the IRC and proposed regulations under Section 168 of the IRC. These regulations generally apply to taxable years beginning on or after January 1, 2014 and will affect all taxpayers that acquire, produce, or improve tangible property. Based upon preliminary analysis, we do not expect that the adoption of these regulations will have a material impact on the Company's Condensed Consolidated Financial Statements.

RISK MANAGEMENT AND CAPITAL

Risk awareness, identification and assessment, reporting, and active management are key elements in overall risk management. We manage risk to an aggregate moderate-to-low risk profile through a control framework and by monitoring and responding to identified potential risks. Controls include, among others, effective segregation of duties, access, authorization and reconciliation procedures, as well as staff education and a disciplined assessment process.

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

We believe that our primary risk exposures are credit, market, liquidity, operational, and compliance oriented. More information on risk can be found in the Risk Factors section included in Item 1A of our 2013 Form 10-K and subsequent filings with the SEC. The MD&A included in our Form 8-K filed on May 28, 2014 should be read in conjunction with this MD&A as this discussion provides only material updates to the Form 8-K. This MD&A should also be read in conjunction with the financial statements, notes and other information contained in this report. Our definition, philosophy, and approach to risk management have not materially changed from the discussion presented in this report.

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 significant credit risk associated with our AFS and HTM securities portfolios (*see Note 4 and Note 5 of the Notes to the Unaudited Condensed Consolidated Financial Statements*). We engage with other financial counterparties for a variety of purposes including investing, asset and liability management, mortgage banking, and trading activities. While there is credit risk associated with derivative activity, we believe this exposure is minimal.

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

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Loan and Lease Credit Exposure Mix

At June 30, 2014, loans and leases totaled \$46.1 billion, representing a \$3.0 billion, or 7%, increase compared to \$43.1 billion at December 31, 2013, primarily reflecting growth in the C&I and automobile portfolio. The growth included \$559 million in loans from our acquisition of Camco Financial during the 2014 first quarter. The Camco Financial portfolio composition was centered in CRE, home equity and residential mortgage.

At June 30, 2014, commercial loans and leases totaled \$23.9 billion and represented 52% of our total loans and leases. The increase compared to December 31, 2013 primarily reflects growth in the international and other specialty lending verticals, automobile dealer floorplan lending, and business banking. Our commercial portfolio is diversified along product type, customer size, and geography across our footprint, and is comprised of the following loan types (*see Commercial Credit discussion*).

C&I C&I loans and leases are made to commercial customers for use in normal business operations to finance working capital needs, equipment purchases, or other projects. The majority of these borrowers are customers doing business within our geographic regions. C&I loans and leases are generally underwritten individually and secured with the assets of the company and/or the personal guarantee of the business owners. The financing of owner occupied facilities is considered a C&I loan even though there is improved real estate as collateral. This treatment is a result of the credit decision process, which focuses on cash flow from operations of the business to repay the debt. The operation, sale, rental, or refinancing of the real estate is not considered the primary repayment source for these types of loans. As we have expanded our C&I portfolio, we have developed a series of verticals to ensure that new products or lending types are embedded within a structured, centralized Commercial Lending area with designated experienced credit officers.

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

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

Total consumer loans and leases were \$22.2 billion at June 30, 2014, and represented 48% of our total loan and leases. The consumer portfolio is comprised primarily of automobile, home equity loans and lines-of-credit, and residential mortgages (*see Consumer Credit discussion*). The increase from December 31, 2013 primarily relates to strong consumer demand for automobile originations and adjustable rate residential mortgages (ARMs).

Automobile Automobile loans are comprised primarily of loans made through automotive dealerships and include exposure in selected states outside of our primary banking markets. The exposure outside of our primary banking markets represents 19% of the total exposure, with no individual state representing more than 5%. Applications are underwritten utilizing an automated underwriting system that applies consistent policies and processes across the portfolio.

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

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

Other consumer Primarily consists of consumer loans not secured by real estate, including personal unsecured loans, overdraft balances, and credit cards. We introduced a consumer credit card product during 2013, utilizing a centralized underwriting system and focusing on existing Huntington customers.

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

Table 11 Loan and Lease Portfolio Composition

(dollar amounts in millions)	2014				2013					
	June 30,		March 31,		December 31,		September 30,		June 30,	
Commercial: ⁽¹⁾										
Commercial and industrial	\$ 18,899	41%	\$ 18,046	41%	\$ 17,594	41%	\$ 17,335	41%	\$ 17,113	41%
Commercial real estate:										
Construction	757	2	692	2	557	1	544	1	607	1
Commercial	4,233	9	4,339	10	4,293	10	4,328	10	4,286	10
Total commercial real estate	4,990	11	5,031	12	4,850	11	4,872	11	4,893	11
Total commercial	23,889	52	23,077	53	22,444	52	22,207	52	22,006	52
Consumer:										
Automobile	7,686	17	6,999	16	6,639	15	6,317	15	5,810	14
Home equity	8,405	18	8,373	19	8,336	18	8,347	20	8,369	20
Residential mortgage	5,707	12	5,542	12	5,321	12	5,307	12	5,168	12
Other consumer	393	1	363		380	2	378	1	387	2
Total consumer	22,191	48	21,277	47	20,676	48	20,349	48	19,734	48
Total loans and leases	\$ 46,080	100%	\$ 44,354	100%	\$ 43,120	100%	\$ 42,556	100%	\$ 41,740	100%

(1) As defined by regulatory guidance, there were no commercial loans outstanding that would be considered a concentration of lending to a particular industry or group of industries.

As shown in the table above, our loan portfolio is diversified by consumer and commercial credit. At the corporate level, we manage the credit exposure via a credit concentration policy. The policy designates specific loan types, collateral types, and loan structures to be formally tracked and assigned limits as a percentage of capital. C&I lending by segment, specific limits for CRE primary project types, loans secured by residential real estate, shared national credit exposure, unsecured lending, and designated high risk loan definitions represent examples of specifically tracked components of our concentration management process. Our concentration management process is approved by our board level Risk Oversight Committee and is one of the strategies utilized to ensure a high quality, well diversified portfolio that is consistent with our overall objective of maintaining an aggregate moderate-to-low risk profile.

The table below provides our total loan and lease portfolio segregated by the type of collateral securing the loan or lease: The changes in the collateral composition are consistent with the portfolio growth metrics, with increases noted in the residential and vehicle categories. The increase in the unsecured exposure is centered in high quality commercial credit customers.

Table of Contents**Table 12 Loan and Lease Portfolio by Collateral Type**

<i>(dollar amounts in millions)</i>	2014				2013					
	June 30,	March 31,	December 31,	September 30,	June 30,	March 31,	December 31,	September 30,	June 30,	
Secured loans:										
Real estate commercial	\$ 8,617	19%	\$ 8,612	19%	\$ 8,622	20%	\$ 8,769	21%	\$ 8,749	21%
Real estate consumer	14,113	31	13,916	31	13,657	32	13,654	32	13,537	32
Vehicles	9,782	21	9,270	21	8,989	21	8,275	19	7,763	19
Receivables/Inventory	5,932	13	5,717	13	5,534	13	5,367	13	5,260	13
Machinery/Equipment	3,267	7	2,930	7	2,738	6	2,778	7	2,831	7
Securities/Deposits	1,349	3	1,064	2	786	2	905	2	924	2
Other	940	2	870	3	1,016	2	948	2	1,020	2
Total secured loans and leases	44,000	96	42,379	96	41,342	96	40,696	96	40,084	96
Unsecured loans and leases	2,080	4	1,975	4	1,778	4	1,860	4	1,656	4
Total loans and leases	\$ 46,080	100%	\$ 44,354	100%	\$ 43,120	100%	\$ 42,556	100%	\$ 41,740	100%

Commercial Credit

Refer to the Commercial Credit section of our Form 8-K filed on May 28, 2014 for our commercial credit underwriting and on-going credit management processes.

C&I PORTFOLIO

The C&I portfolio continues to have strong origination activity as evidenced by the growth over the past 12 months. The credit quality of the portfolio remains strong as we maintain a focus on high quality originations. Problem loans have trended downward, reflecting a combination of proactive risk identification and effective workout strategies implemented by the SAD. We continue to maintain a proactive approach to identifying borrowers that may be facing financial difficulty in order to maximize the potential solutions.

CRE PORTFOLIO

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

Dedicated real estate professionals originated the majority of the portfolio, with the remainder obtained from prior bank acquisitions. 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. 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/or 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. We continue to perform on-going portfolio level reviews within the CRE portfolio. These reviews generate action plans based on occupancy levels or sales volume associated with the projects being reviewed. Property values are updated using appraisals on a regular basis to ensure appropriate decisions regarding the on-going management of the portfolio reflect the changing market conditions. 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.

Table of Contents**Consumer Credit**

Refer to the Consumer Credit section of our Form 8-K filed on May 28, 2014 for our consumer credit underwriting and on-going credit management processes.

AUTOMOBILE PORTFOLIO

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

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

RESIDENTIAL REAL ESTATE SECURED PORTFOLIOS

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

Table 13 Selected Home Equity and Residential Mortgage Portfolio Data

(dollar amounts in millions)

	Home Equity				Residential Mortgage	
	Secured by first-lien		Secured by junior-lien		06/30/14	12/31/13
	06/30/14	12/31/13	06/30/14	12/31/13		
Ending balance	\$ 4,953	\$ 4,842	\$ 3,452	\$ 3,494	\$ 5,707	\$ 5,321
Portfolio weighted average LTV ratio ⁽¹⁾	71%	71%	81%	81%	74%	74%
Portfolio weighted average FICO score ⁽²⁾	758	758	750	741	749	743

	Home Equity				Residential Mortgage (3)	
	Secured by first-lien		Secured by junior-lien		2014	2013
	2014	2013	Six Months Ended June 30,			
	2014	2013	2014	2013	2014	2013
Originations	\$ 726	\$ 952	\$ 396	\$ 210	\$ 585	\$ 816
Origination weighted average LTV ratio ⁽¹⁾	73%	67%	82%	81%	84%	78%
Origination weighted average FICO score ⁽²⁾	764	781	763	756	755	759

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

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

(3) Represents only owned-portfolio originations.

Home Equity Portfolio

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

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

The table below summarizes our home equity line-of-credit portfolio by maturity date:

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

<i>(dollar amounts in millions)</i>	June 30, 2014					Total
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	More than 4 years	
Secured by first-lien	\$ 52	\$ 8	\$ 2	\$ 2	\$ 2,602	\$ 2,666
Secured by junior-lien	245	145	124	56	2,419	2,989
Total home equity line-of-credit	\$ 297	\$ 153	\$ 126	\$ 58	\$ 5,021	\$ 5,655

The amounts in the above table maturing in four years or less primarily consist of balloon payment structures and represent the most significant maturity risk. The amounts maturing in more than four years primarily consist of exposure with a 20-year amortization period after the 10-year draw period.

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

Residential Mortgages Portfolio

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

Several government programs continued to impact the residential mortgage portfolio, including various refinance programs such as HARP and HAMP, which positively affected the availability of credit for the industry. During the six-month period ended June 30, 2014, we closed \$158 million in HARP residential mortgages and \$0.5 million in HAMP residential mortgages. The HARP and HAMP residential mortgage loans are part of our residential mortgage portfolio or serviced for others.

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

Credit Quality

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

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

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Credit quality performance in the 2014 second quarter reflected continued overall improvement. The level of NPAs decreased 1% to \$362.1 million compared to the prior quarter. The decrease this quarter reflects lower commercial OREO levels after the increase in the first quarter. NCOs decreased by \$14.3 million or 33% from the prior quarter, primarily as a result of continued improvement in the consumer portfolios secured by residential real estate, and recovery levels in the C&I and CRE portfolios. Total criticized loans continued to decline, across both the commercial and consumer segments. The ACL to total loans ratio declined by 6 basis points to 1.50%, and our coverage ratios as demonstrated by the ACL to NAL ratio of 213% also remained strong.

Table of Contents**NPAs, NALs, AND TDRs**

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

NPAs and NALs

NPAs consist of (1) NALs, which represent loans and leases no longer accruing interest, (2) impaired loans held for sale, (3) OREO properties, and (4) other NPAs. Any loan in our portfolio may be placed on nonaccrual status prior to the policies described below when collection of principal or interest is in doubt. Also, when a borrower with discharged non-reaffirmed debt in a Chapter 7 bankruptcy is identified and the loan is determined to be collateral dependent, the loan is placed on nonaccrual status.

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

Of the \$140.7 million of CRE and C&I-related NALs at June 30, 2014, \$65.8 million, or 47%, represented loans that were less than 30-days past due, demonstrating our continued commitment to proactive credit risk management. With the exception of residential mortgage loans guaranteed by government organizations which continue to accrue interest, first-lien loans secured by residential mortgage collateral are placed on nonaccrual status at 150-days past due. Junior-lien home equity loans are placed on nonaccrual status at the earlier of 120-days past due or when the related first-lien loan has been identified as nonaccrual. Automobile and other consumer loans are generally charged-off when the loan is 120-days past due.

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

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

Table 15 Nonaccrual Loans and Leases and Nonperforming Assets

<i>(dollar amounts in thousands)</i>	2014		December 31,	2013	
	June 30,	March 31,		September 30,	June 30,
Nonaccrual loans and leases:					
Commercial and industrial	\$ 75,274	\$ 57,053	\$ 56,615	\$ 68,034	\$ 80,037
Commercial real estate	65,398	71,344	73,417	80,295	93,643
Automobile	4,384	6,218	6,303	5,972	7,743
Residential mortgage	110,635	121,681	119,532	116,260	122,040
Home equity	69,266	70,862	66,189	62,545	60,083
Total nonaccrual loans and leases	324,957	327,158	322,056	333,106	363,546
Other real estate owned, net					
Residential	31,761	30,581	23,447	16,610	17,353
Commercial	2,934	5,110	4,217	12,544	3,713
Total other real estate owned, net	34,695	35,691	27,664	29,154	21,066
Other nonperforming assets ⁽¹⁾	2,440	2,440	2,440	12,000	12,087
Total nonperforming assets	\$ 362,092	\$ 365,289	\$ 352,160	\$ 374,260	\$ 396,699
Nonaccrual loans as a % of total loans and leases	0.71%	0.74%	0.75%	0.78%	0.87%
Nonperforming assets ratio ⁽²⁾	0.79	0.82	0.82	0.88	0.95
(NPA+90days)/(Loan+OREO) ⁽³⁾	1.08	1.17	1.20	1.29	1.38

(1) Other nonperforming assets includes certain impaired investment securities.

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

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2014 Second Quarter versus 2014 First Quarter

The \$3.2 million, or 1%, decrease in NPAs compared with March 31, 2014, represents the net impact of increases in the commercial portfolio offset by decreases across the consumer portfolios:

\$11.0 million, or 9%, decrease in residential mortgage NALs, reflecting resolutions of foreclosures and improved delinquency results.

\$5.9 million, or 8%, decline in CRE NALs, reflecting both NCO activity and problem credit resolutions, including borrower payments and payoffs partially resulting from successful workout strategies implemented by our commercial loan workout group.

Partially offset by:

\$18.2 million, or 32%, increase in C&I NALs, primarily reflecting the impact of two credit relationships.

2014 Second Quarter versus 2013 Fourth Quarter

Compared with December 31, 2013, NPAs increased \$9.9 million, or 3%, primarily reflecting:

\$18.7 million, or 33%, increase in C&I NALs, primarily due to two credit relationships.

\$7.0 million, or 25%, increase in net OREO properties primarily related to consumer OREO, reflecting increased inflow, limited sales in the first part of the year, and the impact from Camco Financial.

Partially offset by:

\$8.9 million, or 7%, decline in residential mortgage NALs, reflecting resolution of foreclosure processes and improved delinquency trends.

\$8.0 million, or 11%, decline in CRE NALs, reflecting both NCO activity and problem credit resolutions, including borrower payments and payoffs partially resulting from successful workout strategies implemented by our commercial loan workout group.

TDR Loans

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

TDRs are loans to which a financial concession is provided to a borrower experiencing financial difficulties. TDRs can be classified as either accrual or nonaccrual loans. Nonaccrual TDRs are included in NALs whereas accruing TDRs are excluded from NALs, as it is probable that all contractual principal and interest due under the restructured terms will be collected. TDRs primarily reflect our loss mitigation efforts to proactively work with borrowers having difficulty making their payments.

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

Table 16 Accruing and Nonaccruing Troubled Debt Restructured Loans

<i>(dollar amounts in thousands)</i>	2014		December 31,	2013	
	June 30,	March 31,		September 30,	June 30,
Troubled debt restructured loans accruing:					
Commercial and industrial	\$ 90,604	\$ 102,970	\$ 83,857	\$ 85,687	\$ 94,583
Commercial real estate	212,736	210,876	204,668	204,597	184,372
Automobile	31,833	27,393	30,781	30,981	32,768
Home equity	221,539	202,044	188,266	153,591	135,759
Residential mortgage	289,239	284,194	305,059	300,809	293,933
Other consumer	3,496	1,727	1,041	959	3,383
Total troubled debt restructured loans accruing	849,447	829,204	813,672	776,624	744,798
Troubled debt restructured loans nonaccruing:					
Commercial and industrial	6,677	7,197	7,291	8,643	14,541
Commercial real estate	24,396	27,972	23,981	22,695	26,118
Automobile	4,287	5,676	6,303	5,972	7,743
Home equity	22,264	20,992	20,715	11,434	10,227
Residential mortgage	81,546	84,441	82,879	77,525	80,563
Other consumer	120	120			
Total troubled debt restructured loans nonaccruing	139,290	146,398	141,169	126,269	139,192
Total troubled debt restructured loans	\$ 988,737	\$ 975,602	\$ 954,841	\$ 902,893	\$ 883,990

Our strategy is to structure TDRs in a manner that avoids new concessions subsequent to the initial TDR terms. However, there are times when subsequent modifications are required, such as when the modified loan matures. Often the loans are performing in accordance with the TDR terms, and a new note is originated with similar modified terms. These loans are subjected to the normal underwriting standards and processes for other similar credit extensions, both new and existing. If the loan is not performing in accordance with the existing TDR terms, typically an individualized approach to repayment is established. In accordance with ASC 310-20-35, the refinanced note is evaluated to determine if it is considered a new loan or a continuation of the prior loan. A new loan is considered for removal of the TDR designation. A continuation of the prior note requires the continuation of the TDR designation, and because the refinanced note constitutes a new or amended debt instrument, it is included in our TDR activity table (below) as a new TDR and a restructured TDR removal during the period.

The types of concessions granted are consistent with those granted on new TDRs and include interest rate reductions, amortization or maturity date changes beyond what the collateral supports, and principal forgiveness based on the borrower's specific needs at a point in time. Our policy does not limit the number of times a loan may be modified. A loan may be modified multiple times if it is considered to be in the best interest of both the borrower and Huntington.

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

TDRs in the home equity and residential mortgage portfolio will continue to increase in the near term as we continue to appropriately manage the portfolio. Any granted change in terms or conditions that are not readily available in the market for that borrower, requires the designation as a TDR. There are no provisions for the removal of the TDR designation based on payment activity for consumer loans.

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

Table 17 Troubled Debt Restructured Loan Activity

<i>(dollar amounts in thousands)</i>	2014			2013	
	Second	First	Fourth	Third	Second
TDRs, beginning of period	\$ 975,602	\$ 954,841	\$ 902,893	\$ 883,990	\$ 913,710
New TDRs	184,024	219,656	169,383	161,812	115,955
Payments	(66,530)	(55,130)	(46,974)	(60,392)	(39,818)
Charge-offs	(5,134)	(10,774)	(5,980)	(10,439)	(8,083)
Sales	(4,001)	(14,169)	(613)	(2,999)	(2,738)
Transfer to OREO	(3,539)	(2,597)	(2,609)	(2,056)	(2,453)
Restructured TDRs accruing ⁽¹⁾	(83,586)	(86,012)	(51,709)	(58,499)	(46,987)
Restructured TDRs nonaccruing ⁽¹⁾	(4,146)	(23,038)	(7,415)	(6,163)	(2,520)
Other	(3,953)	(7,175)	(2,135)	(2,361)	(43,076)
TDRs, end of period	\$ 988,737	\$ 975,602	\$ 954,841	\$ 902,893	\$ 883,990

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

ACL

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

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

We regularly evaluate the appropriateness of the ACL by performing on-going evaluations of the loan and lease portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the level of delinquent loans, the value of any collateral and, where applicable, the existence of any guarantees or other documented support. We evaluate the impact of changes in interest rates and overall economic conditions on the ability of borrowers to meet their financial obligations when quantifying our exposure to credit losses and assessing the appropriateness of our ACL at each reporting date. In addition to general economic conditions and the other factors described above, we also consider the impact of collateral value trends and portfolio diversification. A provision for credit losses is recorded to adjust the ACL to the level we have determined to be appropriate to absorb credit losses inherent in our loan and lease portfolio.

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

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

Table 18 Allocation of Allowance for Credit Losses (1)

<i>(dollar amounts in thousands)</i>	2014				2013					
	June 30,		March 31,		December 31,		September 30,		June 30,	
Commercial										
Commercial and industrial	\$ 278,512	41%	\$ 266,979	41%	\$ 265,801	41%	\$ 262,048	41%	\$ 233,679	41%
Commercial real estate	137,346	11	160,306	12	162,557	11	164,522	11	255,849	11
Total commercial	415,858	52	427,285	53	428,358	52	426,570	52	489,528	52
Consumer										
Automobile	27,158	17	25,178	16	31,053	15	27,087	15	39,990	14
Home equity	105,943	18	113,177	19	111,131	19	124,068	20	115,626	20
Residential mortgage	47,191	12	39,068	12	39,577	12	51,252	12	63,802	12
Other consumer	38,951	1	27,210		37,751	2	37,053	1	24,130	2
Total consumer	219,243	48	204,633	47	219,512	48	239,460	48	243,548	48
Total allowance for loan and lease losses	635,101	100%	631,918	100%	647,870	100%	666,030	100%	733,076	100%
Allowance for unfunded loan commitments	56,927		59,368		62,899		66,857		44,223	
Total allowance for credit losses	\$ 692,028		\$ 691,286		\$ 710,769		\$ 732,887		\$ 777,299	
Total allowance for loan and leases losses as % of:										
Total loans and leases		1.38%		1.42%		1.50%		1.57%		1.76%
Nonaccrual loans and leases		195		193		201		200		202
Nonperforming assets		175		174		184		178		185
Total allowance for credit losses as % of:										
Total loans and leases		1.50%		1.56%		1.65%		1.72%		1.86%
Nonaccrual loans and leases		213		211		221		220		214
Nonperforming assets		191		191		202		196		196

(1) Percentages represent the percentage of each loan and lease category to total loans and leases.
2014 Second Quarter versus 2014 First Quarter

The \$0.7 million increase in ACL compared with March 31, 2014, primarily reflected:

\$11.7 million, or 43%, increase in other consumer, reflecting the increased level of overdraft exposure compared to the prior period and the increasing credit card portfolio.

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\$11.5 million, or 4%, increase in C&I, reflecting an increased level of loans in the classified risk rating designation and overall portfolio growth.

\$8.1 million, or 21% increase in residential mortgage, primarily due to increased reserves on TDRs.

\$2.0 million, or 8%, increase in automobile based on the portfolio growth.

Partially offset by:

\$23.0 million or 14%, decline in CRE, reflecting continued improving portfolio asset quality metrics and performance.

\$7.2 million or 6%, decline in home equity directly attributable to the lower delinquency rate and improved portfolio performance metrics.

\$2.4 million, or 4%, decline in AULC, reflecting lower unfunded risk exposures.

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2014 Second Quarter versus 2013 Fourth Quarter

The \$18.7 million, or 3%, decline in ACL compared with December 31, 2013, primarily reflected:

\$25.2 million or 16%, decline in CRE, reflecting continued improving portfolio asset quality metrics and performance.

\$6.0 million or 9%, decline in AULC, reflecting lower risk exposures.

\$5.2 million or 5%, decline in home equity as a result of the lower delinquency rate and improved portfolio performance metrics.

\$3.9 million, or 13%, decline in automobile, reflecting the continued positive performance metrics and the high quality origination strategy partially offset by significant portfolio growth.

Partially offset by:

\$12.7 million, or 5%, increase in C&I, reflecting the risk rating composition and overall growth in the portfolio.

\$7.6 million, or 19% increase in residential mortgage, primarily due to increased reserves on TDRs.

The ACL to total loans and leases declined to 1.50% at June 30, 2014, compared to 1.65% at December 31, 2013. We believe the decline in the ratio is appropriate given the significant continued improvement in the risk profile of our loan portfolio. Further, we believe that early identification of loans with changes in credit metrics and proactive action plans for these loans, combined with originating high quality new loans will contribute to continued improvement in our key credit quality metrics.

We have significant exposure to loans secured by residential real estate and continue to be an active lender in our communities. The impact of the downturn in real estate values over the past several years has had a significant impact on some of our borrowers as evidenced by the higher delinquencies and NCOs since late 2007. Real estate values have rebounded from their 2007 levels in our primary markets, but remain generally below the historic peak.

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

NCOs

Any loan in any portfolio may be charged-off prior to the policies described below if a loss confirming event has occurred. Loss confirming events include, but are not limited to, bankruptcy (unsecured), continued delinquency, foreclosure, or receipt of an asset valuation indicating a collateral deficiency 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 at the time of the modification.

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

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

Table 19 Quarterly Net Charge-off Analysis

<i>(dollar amounts in thousands)</i>	2014			2013	
	Second	First	Fourth	Third	Second
Net charge-offs by loan and lease type:					
Commercial:					
Commercial and industrial	\$ 10,597	\$ 8,606	\$ 9,826	\$ 1,661	\$ 1,586
Commercial real estate:					
Construction	(171)	918	(88)	6,165	1,079
Commercial	(2,020)	(1,905)	(2,783)	6,398	1,305
Commercial real estate	(2,191)	(987)	(2,871)	12,563	2,384
Total commercial	8,406	7,619	6,955	14,224	3,970
Consumer:					
Automobile	2,926	4,642	3,759	2,721	1,463
Home equity	8,491	15,687	20,451	27,175	14,654
Residential mortgage	3,406	7,859	7,605	4,789	8,620
Other consumer	5,413	7,179	7,677	6,833	6,083
Total consumer	20,236	35,367	39,492	41,518	30,820
Total net charge-offs	\$ 28,642	\$ 42,986	\$ 46,447	\$ 55,742	\$ 34,790
Net charge-offs - annualized percentages:					
Commercial:					
Commercial and industrial	0.23%	0.20%	0.22%	0.04%	0.04%
Commercial real estate:					
Construction	(0.10)	0.60	(0.06)	4.36	0.74
Commercial	(0.19)	(0.18)	(0.26)	0.59	0.12
Commercial real estate	(0.17)	(0.08)	(0.23)	1.02	0.19
Total commercial	0.14	0.14	0.12	0.26	0.07
Consumer:					
Automobile	0.16	0.27	0.23	0.18	0.11
Home equity	0.41	0.75	0.98	1.30	0.71
Residential mortgage	0.24	0.58	0.57	0.36	0.66
Other consumer	5.66	7.44	7.98	7.19	5.28
Total consumer	0.37	0.68	0.77	0.83	0.64
Net charge-offs as a % of average loans	0.25%	0.40%	0.43%	0.53%	0.34%

In assessing NCO trends, it is helpful to understand the process of how commercial loans are treated as they deteriorate over time. The ALLL established is consistent with the level of risk associated with the original underwriting. As a part of our normal portfolio management process for commercial loans, the loan is periodically reviewed and the ALLL is increased or decreased based on the enhanced risk rating. In certain cases, the standard ALLL is determined to not be appropriate, and a specific reserve is established based on the projected cash flow or collateral value of the specific loan. Charge-offs, if necessary, are generally recognized in a period after the specific ALLL was established. If the

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previously established ALLL exceeds that necessary to satisfactorily resolve the problem loan, a reduction in the overall level of the ALLL could be recognized. Consumer loans are treated in much the same manner as commercial loans, with increasing reserve factors applied based on the risk characteristics of the loan, although specific reserves are not identified for consumer loans. In summary, if loan quality deteriorates, the typical credit sequence would be periods of reserve building, followed by periods of higher NCOs as the previously established ALLL is utilized. Additionally, an increase in the ALLL either precedes or is in conjunction with increases in NALs. When a loan is classified as NAL, it is evaluated for specific ALLL or charge-off. As a result, an increase in NALs does not necessarily result in an increase in the ALLL or an expectation of higher future NCOs.

Our overall NCOs are operating within our long term target range. However, both the residential mortgage and home equity portfolios remain at elevated levels.

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

Table of Contents**2014 Second Quarter versus 2014 First Quarter**

NCOs decreased \$14.3 million from the prior quarter to \$28.6 million, primarily as a result of continued expected improvement and the impact of recovery activity in the quarter for the home equity, residential mortgage, and other consumer portfolios. This was partially offset by an increase in C&I. NCOs were an annualized 0.25% of average loans and leases in the current quarter, down from 0.40% in the 2014 first quarter, and still below our long term expectation of 0.35% - 0.55%. Given the low level of C&I and CRE NCOs, there will continue to be some volatility on a quarter-to-quarter comparison basis.

The table below reflects NCO activity for the first six-month periods ended June 30, 2014 and 2013:

Table 20 Year to Date Net Charge-off Analysis

<i>(dollar amounts in thousands)</i>	Six Months Ended June 30,	
	2014	2013
Net charge-offs by loan and lease type:		
Commercial:		
Commercial and industrial	\$ 19,203	\$ 4,903
Commercial real estate:		
Construction	747	281
Commercial	(3,925)	14,880
Commercial real estate	(3,178)	15,161
Total commercial	16,025	20,064
Consumer:		
Automobile	7,568	4,057
Home equity	24,178	34,637
Residential mortgage	11,265	14,768
Other consumer	12,593	12,951
Total consumer	55,604	66,413
Total net charge-offs	\$ 71,629	\$ 86,477
Net charge-offs - annualized percentages:		
Commercial:		
Commercial and industrial	0.21%	0.06%
Commercial real estate:		
Construction	0.23	0.09
Commercial	(0.18)	0.65
Commercial real estate	(0.13)	0.59
Total commercial	0.14	0.18
Consumer:		
Automobile	0.21	0.16
Home equity	0.58	0.84
Residential mortgage	0.41	0.58
Other consumer	6.55	5.31
Total consumer	0.52	0.70

Net charge-offs as a % of average loans	0.32%	0.42%
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2014 First Six Months versus 2013 First Six Months

NCOs decreased \$14.8 million in the first six-month period of 2014 to \$71.6 million, primarily as a result of continued expected improvement and the impact of recovery activity in the CRE portfolio. This improvement was partially offset by an increase in C&I primarily relating to large losses associated with a small number of credit relationships.

Table of Contents**Market Risk**

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

Interest Rate Risk**OVERVIEW**

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

INCOME SIMULATION AND ECONOMIC VALUE ANALYSIS

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

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

Table 21 Net Interest Income at Risk

Basis point change scenario	Net Interest Income at Risk (%)		
	-25	+100	+200
Board policy limits		-2.0%	-4.0%
June 30, 2014	-0.4%	0.2%	%

In previous quarters, we reported ISE at Risk. We now report NII at Risk to isolate the change in income related solely to interest earning assets and interest bearing liabilities. The difference between the results for ISE at Risk and NII at Risk are not significant for this or any previous quarterly period.

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

Huntington is within Board policy limits for the +100 and +200 basis point scenarios. There is no policy limit for the -25 basis point scenario. The NII at Risk reported at June 30, 2014, shows that Huntington's earnings are not sensitive to changes in interest rates over the next year. In recent periods, the amount of fixed rate assets, primarily indirect auto loans and securities, increased resulting in a reduction in asset sensitivity. This reduction is somewhat accentuated by our portfolio of mortgage-related loans and securities, whose expected maturities lengthen as rates rise. The reduced asset sensitivity for the +200 basis points scenario (relative to the +100 basis points scenario) relates to the modeled migration of money market accounts balances into CDs thereby shifting from variable to fixed rate.

Table 22 Economic Value of Equity at Risk

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	Economic Value of Equity at Risk (%)		
Basis point change scenario	-25	+100	+200
Board policy limits		-5.0%	-12.0%
June 30, 2014	0.3%	-3.2%	-8.4%

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

Huntington is within Board policy limits for the +100 and +200 basis point scenarios. There is no policy limit for the -25 basis point scenario. The EVE reported at June 30, 2014 shows that as interest rates increase (decrease) immediately, the economic value of equity position will decrease (increase). When interest rates rise, fixed rate assets generally lose economic value; the longer the duration, the greater the value lost. The opposite is true when interest rates fall. Compared to recent periods, the EVE results for June 30, 2014, reflect lower market rates.

MSRs

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

At June 30, 2014 we had a total of \$159.9 million of capitalized MSRs representing the right to service \$15.6 billion in mortgage loans. Of this \$159.9 million, \$26.8 million was recorded using the fair value method and \$133.1 million was recorded using the amortization method.

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

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

Price Risk

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

Liquidity Risk

Liquidity risk is the risk of loss due to the possibility that funds may not be available to satisfy current or future commitments resulting from external macro market issues, investor and customer perception of financial strength, and events unrelated to us, such as war, terrorism, or financial institution market specific issues. In addition, the mix and maturity structure of Huntington's balance sheet, the amount of on-hand cash and unencumbered securities, and the availability of contingent sources of funding can have an impact on Huntington's ability to satisfy current or future funding commitments. We manage liquidity risk at both the Bank and the parent company.

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

Table of Contents**Investment Securities Portfolio**

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

Table 23 Expected Life of Investment Securities

	June 30, 2014			
	Available-for-Sale & Other Securities		Held-to-Maturity Securities	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<i>(dollar amounts in thousands)</i>				
Under 1 year	\$ 695,178	\$ 692,464	\$	\$
1 - 5 years	4,152,001	4,208,426	1,038,648	1,033,538
6 - 10 years	2,733,973	2,735,082	2,583,347	2,577,723
Over 10 years	565,467	505,728		
Other securities	348,512	349,337		
Total	\$ 8,495,131	\$ 8,491,037	\$ 3,621,995	\$ 3,611,261

Bank Liquidity and Sources of Liquidity

Our primary sources of funding for the Bank are retail and commercial core deposits. At June 30, 2014, these core deposits funded 72% of total assets (100% of total loans). At June 30, 2014 and December 31, 2013, total core deposits represented 94% and 95% of total deposits, respectively.

Core deposits may increase our need for liquidity as certificates of deposit mature or are withdrawn before maturity and as nonmaturity deposits, such as checking and savings account balances, are withdrawn. Noninterest-bearing demand deposits increased \$ 0.5 billion from December 31, 2013, but include certain large commercial deposits that may be more short-term in nature.

Demand deposit overdrafts that have been reclassified as loan balances were \$35.9 million and \$19.3 million at June 30, 2014 and December 31, 2013, respectively. Other domestic time deposits of \$250,000 or more and brokered deposits and negotiable CDs totaled \$2.4 billion and \$1.9 billion at June 30, 2014 and December 31, 2013, respectively.

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

Table 24 Deposit Composition

<i>(dollar amounts in millions)</i>	2014				2013					
	June 30,		March 31,		December 31,		September 30,		June 30,	
By Type										
Demand deposits noninterest-bearing	\$ 14,151	29%	\$ 14,314	29%	\$ 13,650	29%	\$ 13,421	29%	\$ 13,491	29%
Demand deposits interest-bearing	5,921	12	5,970	12	5,880	12	5,856	13	5,977	13
Money market deposits	17,563	36	17,693	36	17,213	36	16,212	34	15,131	33
Savings and other domestic deposits	5,036	10	5,115	10	4,871	10	4,946	11	5,054	11
Core certificates of deposit	3,272	7	3,557	7	3,723	8	4,108	9	4,353	9
Total core deposits	45,943	94	46,649	94	45,337	95	44,543	96	44,006	95
Other domestic deposits of \$250,000 or more	241		289	1	274	1	268	1	283	1
Brokered deposits and negotiable CDs	2,198	5	2,074	4	1,580	3	1,366	3	1,695	4
Deposits in foreign offices	367	1	337	1	316	1	387		347	
Total deposits	\$ 48,749	100%	\$ 49,349	100%	\$ 47,507	100%	\$ 46,564	100%	\$ 46,331	100%
Total core deposits:										
Commercial	\$ 20,629	45%	\$ 20,507	44%	\$ 19,982	44%	\$ 19,526	44%	\$ 18,922	43%
Consumer	25,314	55	26,142	56	25,355	56	25,017	56	25,084	57
Total core deposits	\$ 45,943	100%	\$ 46,649	100%	\$ 45,337	100%	\$ 44,543	100%	\$ 44,006	100%

Table 25 Federal Funds Purchased and Repurchase Agreements

<i>(dollar amounts in millions)</i>	2014		2013		
	June 30,	March 31,	December 31,	September 30,	June 30,
Balance at period-end					
Federal Funds purchased and securities sold under agreements to repurchase	\$ 1,223	\$ 1,342	\$ 549	\$ 655	\$ 627
Other short-term borrowings	29	56	4	6	3
Weighted average interest rate at period-end					
Federal Funds purchased and securities sold under agreements to repurchase	0.05%	0.06%	0.06%	0.07%	0.09%
Other short-term borrowings	1.41	0.26	2.59	1.41	3.63
Maximum amount outstanding at month-end during the period					
Federal Funds purchased and securities sold under agreements to repurchase	\$ 1,223	\$ 1,342	\$ 787	\$ 787	\$ 757
Other short-term borrowings	29	56	19	9	10
Average amount outstanding during the period					
Federal Funds purchased and securities sold under agreements to repurchase	\$ 909	\$ 875	\$ 692	\$ 703	\$ 693
Other short-term borrowings	29	8	8	7	9
Weighted average interest rate during the period					
Federal Funds purchased and securities sold under agreements to repurchase	0.06%	0.06%	0.08%	0.08%	0.08%

Other short-term borrowings	1.64	1.06	1.79	1.32	1.91
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To the extent we are unable to obtain sufficient liquidity through core deposits, we may meet our liquidity needs through sources of wholesale funding or asset securitization or sale. Sources of wholesale funding include other domestic time deposits of \$250,000 or more, brokered deposits and negotiable CDs, deposits in foreign offices, short-term borrowings, FHLB advances, other long-term debt, and subordinated notes. In February 2014, the Bank issued \$500.0 million of senior notes at 99.842% of face value. The senior bank note issuances mature on April 1, 2019 and have a fixed coupon rate of 2.20%. The senior note issuance may be redeemed one month prior to the maturity date at 100% of principal plus accrued and unpaid interest. At June 30, 2014, total wholesale funding was \$10.5 billion, an increase from \$7.0 billion at December 31, 2013. The increase from prior year-end primarily relates to an increase in other long-term debt, short-term borrowings, and FHLB advances, partially offset by a decrease in subordinated notes.

Table 26 FHLB Borrowing Capacity

<i>(dollar amounts in billions)</i>	June 30, 2014	December 31, 2013
Total unused borrowing capacity at the FHLB	\$ 3.2	\$ 3.0

The Bank is a member of the FHLB, and as such, has access to advances from the FHLB. These advances are secured by residential mortgages, other mortgage-related loans, and available-for-sale securities. We can also obtain funding through other methods including: purchasing federal funds, selling securities under repurchase agreements, selling or maturity of investment securities, selling or securitization of loans, selling of national market certificates of deposit, and issuing of common and preferred stock. The Bank also has access to the Federal Reserve's discount window. These borrowings are secured by non-real estate related commercial loans. Total loans and securities pledged related to the Federal Reserve discount window and FHLB advances are \$18.1 billion and \$19.8 billion at June 30, 2014 and December 31, 2013, respectively.

On October 24, 2013, the OCC, U.S. Treasury, FRB, and the FDIC issued an NPR regarding the implementation of a quantitative liquidity requirement consistent with the LCR standard established by the Basel Committee on Banking Supervision. The requirements are designed to promote the short term resilience of the liquidity risk profile of banks to which it applies. In preparation for the January 2015 LCR requirements, we sold securities in the 2014 first quarter that will not qualify for liquidity coverage and reinvested the proceeds into High Quality Liquid Assets.

At June 30, 2014, we believe the Bank had sufficient liquidity to meet its cash flow obligations for the foreseeable future.

Parent Company Liquidity

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

At June 30, 2014 and December 31, 2013, the parent company had \$0.8 billion and \$1.0 billion, respectively, in cash and cash equivalents.

On July 16, 2014, we announced that the board of directors had declared a quarterly common stock cash dividend of \$0.05 per common share. The dividend is payable on October 1, 2014, to shareholders of record on September 17, 2014. Based on the current quarterly dividend of \$0.05 per common share, cash demands required for common stock dividends are estimated to be approximately \$40.9 million per quarter. Based on the current dividend, cash demands required for Series A Preferred Stock are estimated to be approximately \$7.7 million per quarter. Cash demands required for Series B Preferred Stock are expected to be approximately \$0.3 million per quarter.

At June 30, 2014, the Bank no longer has a regulatory dividend limitation due to the deficit position of its undivided profits. During the quarter the Bank paid dividends of \$75.0 million to the holding company. We anticipate that the Bank will declare additional dividends to the holding company during the second half of 2014. To help meet any additional liquidity needs, we have an open-ended, automatic shelf registration statement filed and effective with the SEC, which permits us to issue an unspecified amount of debt or equity securities.

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

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Off-Balance Sheet Arrangements

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

INTEREST RATE SWAPS

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

STANDBY LETTERS-OF-CREDIT

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

COMMITMENTS TO SELL LOANS

Activity related to our mortgage origination activity supports the hedging of the mortgage pricing commitments to customers and the secondary sale to third parties. At June 30, 2014 and December 31, 2013, we had commitments to sell residential real estate loans of \$596.5 million and \$452.6 million, respectively. These contracts mature in less than one year.

We do not believe that off-balance sheet arrangements will have a material impact on our liquidity or capital resources.

Operational Risk

As with all companies, we are subject to operational risk. Operational risk is the risk of loss due to human error; inadequate or failed internal systems and controls; violations of, or noncompliance with, laws, rules, regulations, prescribed practices, or ethical standards; and external influences such as market conditions, fraudulent activities, disasters, and security risks. We continuously strive to strengthen our system of internal controls to ensure compliance with laws, rules, and regulations, and to improve the oversight of our operational risk. For example, we actively and continuously monitor cyber-attacks such as attempts related to eFraud 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.

To mitigate operational risks, we have established a senior management Operational Risk Committee and a senior management Legal, Regulatory, and Compliance Committee. The responsibilities of these committees, among other duties, include establishing and maintaining management information systems to monitor material risks and to identify potential concerns, risks, or trends that may have a significant impact and ensuring that recommendations are developed to address the identified issues. Both of these committees report any significant findings and recommendations to the Risk Management Committee. Additionally, potential concerns may be escalated to our ROC, as appropriate.

The goal of this framework is to implement effective operational risk techniques and strategies, minimize operational and fraud losses, and enhance our overall performance.

Table of Contents**Representation and Warranty Reserve**

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

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

Table 27 Summary of Reserve for Representations and Warranties on Mortgage Loans Serviced for Others

<i>(dollar amounts in thousands)</i>	2014		Fourth	2013	
	Second	First		Third	Second
Reserve for representations and warranties, beginning of period	\$ 17,094	\$ 22,027	\$ 27,502	\$ 28,039	\$ 28,932
Reserve charges	(1,047)	(6,132)	(6,024)	(2,490)	(1,531)
Provision for representations and warranties	(798)	1,199	549	1,952	638
Reserve for representations and warranties, end of period	\$ 15,249	\$ 17,094	\$ 22,027	\$ 27,501	\$ 28,039

Table 28 Mortgage Loan Repurchase Statistics

<i>(dollar amounts in thousands)</i>	2014		Fourth	2013	
	Second	First		Third	Second
Number of loans sold	4,599	3,882	4,856	5,839	5,747
Amount of loans sold (UPB)	\$ 572,861	\$ 487,822	\$ 625,958	\$ 861,897	\$ 921,458
Number of loans repurchased (1)	33	89	41	40	32
Amount of loans repurchased (UPB) (1)	\$ 3,766	\$ 10,557	\$ 5,204	\$ 4,055	\$ 2,969
Number of claims received	43	35	341	222	71
Successful dispute rate (2)	40%	34%	40%	36%	45%
Number of make whole payments (3)	20	91	91	28	19
Amount of make whole payments (3)	\$ 844	\$ 5,693	\$ 5,742	\$ 2,125	\$ 1,304

(1) Loans repurchased are loans that fail to meet the purchaser's terms.

(2) Successful disputes are a percent of close out requests.

(3) Make whole payments are payments to reimburse for losses on foreclosed properties.

Foreclosure Documentation

Compared to the high volume servicers, we service a relatively low volume of residential mortgage foreclosures. We have reviewed our residential foreclosure process. We have not found evidence of financial injury to any borrowers from any foreclosure by the Bank that should not have proceeded. We continuously review our processes and controls to ensure that our foreclosure processes are appropriate.

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Compliance Risk

Financial institutions are subject to several laws, rules, and regulations at both the federal and state levels. These broad-based mandates include, but are not limited to, expectations relating to anti-money laundering, lending limits, client privacy, fair lending, protections for military members as they enter active duty, and community reinvestment. Additionally, the volume and complexity of recent regulatory changes have increased our overall compliance risk. As such, we utilize various resources to help ensure expectations are met, including a team of compliance experts dedicated to ensuring our conformance with all applicable laws, rules, and regulations. Our colleagues receive training for several broad-based laws and regulations including, but not limited to, anti-money laundering and customer privacy. Additionally, colleagues engaged in lending activities receive training for laws and regulations related to flood disaster protection, equal credit opportunity, fair lending, and / or other courses related to the extension of credit. We set a high standard of expectation for adherence to compliance management and seek to continuously enhance our performance.

Capital

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

Table of Contents**Regulatory Capital**

The following table presents risk-weighted assets and other financial data necessary to calculate certain financial ratios, including the Tier 1 common equity ratio, which we use to measure capital adequacy.

Table 29 Capital Adequacy

<i>(dollar amounts in millions)</i>	2014	2013	2012	2011	2010
	June 30,	March 31,	December 31,	September 30,	June 30,
Consolidated capital calculations:					
Common shareholders equity	\$ 5,855	\$ 5,790	\$ 5,704	\$ 5,566	\$ 5,388
Preferred shareholders equity	386	386	386	386	386
Total shareholders equity	6,241	6,176	6,090	5,952	5,774
Goodwill	(505)	(505)	(444)	(444)	(444)
Other intangible assets	(81)	(91)	(93)	(104)	(114)
Other intangible assets deferred tax liability (1)	28	32	33	36	40
Total tangible equity (2)	5,683	5,612	5,586	5,440	5,256
Preferred shareholders equity	(386)	(386)	(386)	(386)	(386)
Total tangible common equity (2)	\$ 5,297	\$ 5,226	\$ 5,200	\$ 5,054	\$ 4,870
Total assets	\$ 63,797	\$ 61,146	\$ 59,467	\$ 56,639	\$ 56,104
Goodwill	(505)	(505)	(444)	(444)	(444)
Other intangible assets	(81)	(91)	(93)	(104)	(114)
Other intangible assets deferred tax liability (1)	28	32	33	36	40
Total tangible assets (2)	\$ 63,239	\$ 60,582	\$ 58,963	\$ 56,127	\$ 55,586
Tier 1 capital	\$ 6,132	\$ 6,107	\$ 6,100	\$ 6,018	\$ 5,885
Preferred shareholders equity	(386)	(386)	(386)	(386)	(386)
Trust preferred securities	(304)	(304)	(299)	(299)	(299)
REIT preferred stock				(50)	(50)
Tier 1 common equity (2)	\$ 5,442	\$ 5,417	\$ 5,415	\$ 5,283	\$ 5,150
Risk-weighted assets (RWA)	\$ 53,035	\$ 51,120	\$ 49,690	\$ 48,687	\$ 48,080
Tier 1 common equity / RWA ratio (2)	10.26%	10.60%	10.90%	10.85%	10.71%
Tangible equity / tangible asset ratio (2)	8.99	9.26	9.47	9.69	9.46
Tangible common equity / tangible asset ratio (2)	8.38	8.63	8.82	9.01	8.76
Tangible common equity / RWA ratio (2)	9.99	10.22	10.46	10.38	10.13

(1) Other intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.

(2) Tangible equity, Tier 1 common equity, tangible common equity, and tangible assets are non-GAAP financial measures. Additionally, any ratios utilizing these financial measures are also non-GAAP. These financial measures have been included as they are considered to be critical metrics with which to analyze and evaluate financial condition and capital strength. Other companies may calculate these financial measures differently.

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

Table 30 Regulatory Capital Data

<i>(dollar amounts in millions)</i>		2014		December 31,	2013	
		June 30,	March 31,		September 30,	June 30,
Total risk-weighted assets	Consolidated	\$ 53,035	\$ 51,120	\$ 49,690	\$ 48,687	\$ 48,080
	Bank	53,005	51,021	49,609	48,570	48,026
Tier 1 risk-based capital	Consolidated	6,132	6,107	6,100	6,017	5,885
	Bank	5,982	5,872	5,682	5,540	5,343
Tier 2 risk-based capital	Consolidated	1,118	1,118	1,139	1,127	1,120
	Bank	819	817	838	825	819
Total risk-based capital	Consolidated	7,250	7,225	7,239	7,144	7,005
	Bank	6,801	6,689	6,520	6,365	6,162
Tier 1 leverage ratio	Consolidated	10.01%	10.32%	10.67%	10.85%	10.64%
	Bank	9.78	9.96	9.97	10.01	9.68
Tier 1 risk-based capital ratio	Consolidated	11.56	11.95	12.28	12.36	12.24
	Bank	11.29	11.51	11.45	11.41	11.13
Total risk-based capital ratio	Consolidated	13.67	14.13	14.57	14.67	14.57
	Bank	12.83	13.11	13.14	13.11	12.83

The decreases in the capital ratios were due to balance sheet growth and share repurchases that were partially offset by retained earnings and the stock issued in the Camco acquisition. Specifically, all capital ratios were impacted by the repurchase of 28.7 million common shares over the last four quarters, 12.1 million of which were repurchased during the 2014 second quarter. The decrease in the regulatory Tier 1 risk-based capital ratio also reflected the redemption of \$50 million of qualifying preferred securities on December 31, 2013. These declines were offset partially by the increase in retained earnings as well as the issuance of 8.7 million common shares in the Camco acquisition.

Shareholders Equity

We generate shareholders equity primarily through the retention of earnings, net of dividends. Other potential sources of shareholders equity include issuances of common and preferred stock. Our objective is to maintain capital at an amount commensurate with our risk profile and risk tolerance objectives, to meet both regulatory and market expectations, and to provide the flexibility needed for future growth and business opportunities. Shareholders equity totaled \$6.2 billion at June 30, 2014, an increase of \$0.2 billion when compared with December 31, 2013.

Dividends

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

On July 16, 2014, our board of directors declared a quarterly cash dividend of \$0.05 per common share, payable on October 1, 2014. Also, cash dividends of \$0.05 per share were declared on April 16, 2014 and January 16, 2014.

On July 16, 2014, our board of directors also declared a quarterly cash dividend on our 8.50% Series A Non-Cumulative Perpetual Convertible Preferred Stock of \$21.25 per share. The dividend is payable on October 15, 2014. Also, cash dividends of \$21.25 per share were declared on April 16, 2014 and January 16, 2014.

On July 16, 2014, our board of directors also declared a quarterly cash dividend on our Floating Rate Series B Non-Cumulative Perpetual Preferred Stock of \$7.33 per share. The dividend is payable on October 15, 2014. Also, cash dividends of \$7.32 per share \$7.35 per share were declared on April 16, 2014 and January 16, 2014, respectively.

Table of Contents**Share Repurchases**

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

On March 26, 2014, Huntington announced that the Federal Reserve did not object to Huntington's proposed capital actions included in Huntington's capital plan submitted to the Federal Reserve in January 2014. These actions included a potential repurchase of up to \$250 million of common stock through the first quarter of 2015. Huntington's board of directors authorized a share repurchase program consistent with Huntington's capital plan. The new repurchase authorization represents a \$23 million, or 10%, increase from the recently completed common stock repurchase authorization. During the 2014 second quarter, we repurchased 12.1 million shares, with a weighted average price of \$9.17, under this program. Purchases of common stock may include open market purchases, privately negotiated transactions, and accelerated repurchase programs.

Fair Value***Fair Value Measurements***

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

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

Level 1 quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices of identical or similar assets or liabilities in markets that are not active, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs that are unobservable and significant to the fair value measurement. Financial instruments are considered Level 3 when values are determined using pricing models, discounted cash flow methodologies, or similar techniques, and at least one significant model assumption or input is unobservable.

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

Table of Contents**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. During the 2014 first quarter, we reorganized our business segments to drive our ongoing growth and leverage the knowledge of our highly experienced team. We now have five major business segments: Retail and Business Banking, Commercial Banking, Automobile Finance and Commercial Real Estate (AFCRE), Regional Banking and The Huntington Private Client Group (RBHPCG), and Home Lending. A Treasury / Other function includes our insurance brokerage business, along with technology and operations, other unallocated assets, liabilities, revenue, and expense. All periods presented have been reclassified to conform to the current period classification.

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

Revenue Sharing

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

Expense Allocation

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

Funds Transfer Pricing (FTP)

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

Net Income by Business Segment

The segregation of net income by business segment for the first six-month period of June 30, 2014 and June 30, 2013 is presented in the following table:

Table 31 Net Income (Loss) by Business Segment

<i>(dollar amounts in thousands)</i>	Six-Months Ended June 30,	
	2014	2013
Retail and Business Banking	\$ 81,985	\$ 68,342
Commercial Banking	62,028	74,004
AFCRE	99,358	89,352
RBHPCG	14,899	16,047
Home Lending	(11,695)	8,453

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Treasury/Other	67,187	48,076
Total net income	\$ 313,762	\$ 304,274

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Treasury / Other

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

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

The \$19.1 million, or 40%, year over year increase in net income for Treasury/Other was primarily the result of the FTP process described above. The FTP process produced increased net income for Treasury/Other as the sustained low market interest rate environment, combined with a shift in funding mix to include additional wholesale sources, resulted in lower FTP credits paid to the business segments.

Optimal Customer Relationship (OCR)

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

CONSUMER OCR PERFORMANCE

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

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

We use the checking account since it typically represents the primary banking relationship product. We count additional services by type, not number of services. For example, a household that has one checking account and one mortgage, we count as having two services. A household with four checking accounts, we count as having one service. The household relationship utilizing four or more services is viewed to be more profitable and loyal. The overall objective, therefore, is to decrease the percentage of 1-3 services per consumer checking account household, while increasing the percentage of those with 4 or more services. Since we have made significant strides toward having the vast majority of our customers with 4+ services, during the 2013 second quarter, we changed our measurement to 6+ services. We are holding ourselves to a higher performance standard.

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The following table presents consumer checking account household OCR metrics:

Table 32 Consumer Checking Household OCR Cross-sell Report

	2014			2013	
	Second	First	Fourth	Third	Second
Number of households	1,391,406	1,359,158	1,324,971	1,314,587	1,291,177
Product Penetration by Number of Services (1)					
1 Service	3.0%	3.0%	3.0%	3.2%	3.3%
2-3 Services	18.4	18.8	19.2	19.5	19.9
4-5 Services	29.9	30.2	30.2	30.0	30.1
6+ Services	48.7	48.0	47.6	47.3	46.7
Total revenue (<i>in millions</i>)	\$ 256.6	\$ 239.9	\$ 232.5	\$ 237.1	\$ 239.1

(1) The definitions and measurements used in our OCR process are periodically reviewed and updated prospectively. Our emphasis on cross-sell, coupled with customers being attracted by the benefits offered through our Fair Play banking philosophy with programs such as 24-Hour Grace® on overdrafts and Asterisk-Free Checking, are having a positive effect. The percent of consumer households with 6 or more products at the end of the 2014 second quarter was 48.7%, up from 46.7% at the end of the 2013 second quarter due to increased product sales and services provided.

COMMERCIAL OCR PERFORMANCE

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

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

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

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The following table presents commercial relationship OCR metrics:

Table 33 Commercial Relationship OCR Cross-sell Report

	2014			2013	
	Second	First	Fourth	Third	Second
Commercial Relationships (1)	159,290	159,973	159,716	159,878	158,010
Product Penetration by Number of Services (2)					
1 Service	16.9%	19.4%	21.1%	22.1%	22.8%
2-3 Services	41.8	41.1	41.4	41.1	40.9
4+ Services	41.3	39.5	37.5	36.8	36.3
Total revenue (<i>in millions</i>)	\$ 211.8	\$ 213.3	\$ 190.9	\$ 193.9	\$ 178.6

(1) Checking account required.

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

By focusing on targeted relationships we are able to achieve higher product service penetration among our commercial relationships, and leverage these relationships to generate a deeper share of wallet.

Table 34 Average Loans/Leases and Deposits by Business Segment

<i>(dollar amounts in millions)</i>	Six Months Ended June 30, 2014						
	Retail and Business Banking	Commercial Banking	AFCRE	RBHPCG	Home Lending	Treasury / Other	TOTAL
Average Loans/Leases							
Commercial and industrial	\$ 3,606	\$ 10,771	\$ 2,871	\$ 617	\$ 1	\$ 82	\$ 17,948
Commercial real estate	363	301	4,096	215		(1)	4,974
Total commercial	3,969	11,072	6,967	832	1	81	22,922
Automobile			7,070			(1)	7,069
Home equity	7,495	2	1	734	165	(39)	8,358
Residential mortgage	1,147			1,285	3,062		5,494
Other consumer	312	3	32	10	17	10	384
Total consumer	8,954	5	7,103	2,029	3,244	(30)	21,305
Total loans and leases	\$ 12,923	\$ 11,077	\$ 14,070	\$ 2,861	\$ 3,245	\$ 51	\$ 44,227
Average Deposits							
Demand deposits noninterest-bearing	\$ 5,850	\$ 4,543	\$ 742	\$ 1,623	\$ 277	\$ 295	\$ 13,330
Demand deposits interest-bearing	4,719	745	67	316		13	5,860
Money market deposits	9,879	3,701	265	3,813		6	17,664
Savings and other domestic deposits	4,861	82	5	80		(1)	5,027
Core certificates of deposit	3,459	14		48		2	3,523
Total core deposits	28,768	9,085	1,079	5,880	277	315	45,404
Other deposits	105	833	85	3		1,496	2,522
Total deposits	\$ 28,873	\$ 9,918	\$ 1,164	\$ 5,883	\$ 277	\$ 1,811	\$ 47,926

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	Six Months Ended June 30, 2013							
	Retail and Business Banking	Commercial Banking	AFCRE	RBHPCG	Home Lending	Treasury / Other	TOTAL	
<i>(dollar amounts in millions)</i>								
Average Loans/Leases								
Commercial and industrial	\$ 3,446	\$ 10,284	\$ 2,611	\$ 598	\$	\$ 55	\$ 16,994	
Commercial real estate	422	360	4,156	213	1	1	5,153	
Total commercial	3,868	10,644	6,767	811	1	56	22,147	
Automobile			5,061			(3)	5,058	
Home equity	7,367	2	1	753	172	(18)	8,277	
Residential mortgage	1,074	6		1,251	2,840	(69)	5,102	
Other consumer	334	4	58	17	13	62	488	
Total consumer	8,775	12	5,120	2,021	3,025	(28)	18,925	
Total loans and leases	\$ 12,643	\$ 10,656	\$ 11,887	\$ 2,832	\$ 3,026	\$ 28	\$ 41,072	
Average Deposits								
Demand deposits noninterest-bearing	\$ 5,236	\$ 4,085	\$ 613	\$ 1,902	\$ 397	\$ 291	\$ 12,524	
Demand deposits interest-bearing	4,760	848	50	287		7	5,952	
Money market deposits	8,322	3,051	250	3,426		8	15,057	
Savings and other domestic deposits	4,923	85	7	84	2	(2)	5,099	
Core certificates of deposit	4,956	24	2	74		4	5,060	
Total core deposits	28,197	8,093	922	5,773	399	308	43,692	
Other deposits	134	1,025	69	23		1,157	2,408	
Total deposits	\$ 28,331	\$ 9,118	\$ 991	\$ 5,796	\$ 399	\$ 1,465	\$ 46,100	

Table of Contents**Retail and Business Banking****Table 35 Key Performance Indicators for Retail and Business Banking**

<i>(dollar amounts in thousands unless otherwise noted)</i>	Six Months Ended June 30,		Change	
	2014	2013	Amount	Percent
Net interest income	\$ 448,184	\$ 453,420	\$ (5,236)	(1)%
Provision for credit losses	41,434	58,321	(16,887)	(29)
Noninterest income	200,496	187,143	13,353	7
Noninterest expense	481,115	477,100	4,015	1
Provision for income taxes	44,146	36,800	7,346	20
Net income	\$ 81,985	\$ 68,342	\$ 13,643	20%
Number of employees (average full-time equivalent)	5,167	5,252	(85)	(2)%
Total average assets <i>(in millions)</i>	\$ 14,701	\$ 14,372	\$ 329	2
Total average loans/leases <i>(in millions)</i>	12,923	12,643	280	2
Total average deposits <i>(in millions)</i>	28,873	28,331	542	2
Net interest margin	3.17%	3.25%	(0.08)%	(2)
NCOs	\$ 46,027	\$ 59,841	\$ (13,814)	(23)
NCOs as a % of average loans and leases	0.71%	0.95%	(0.24)%	(25)
Return on average common equity	12.2	9.7	2.5	26

2014 First Six Months vs. 2013 First Six Months

Retail and Business Banking reported net income of \$82.0 million in the first six-month period of 2014. This was an increase of \$13.6 million, or 20%, when compared to the year-ago period. The increase in net income reflected a combination of factors described below.

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

8 basis point decrease in the net interest margin. This decline was mainly due to a 13 basis point decrease in deposit spreads that resulted from a reduction in the funds transfer price rates assigned to those deposits.

Partially offset by:

\$0.5 billion, or 2%, increase in total average deposits.

10 basis points increase in loan spreads, primarily due to a reduction in the funds transfer price assigned to loans.

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

\$179 million, or 2%, increase in consumer loans, primarily due to growth in home equity lines of credit and residential mortgages, as well as the impact of the Camco acquisition.

\$101 million, or 3%, increase in commercial loans, primarily due to C&I loan growth and the impact of the Camco acquisition.

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

A continued focus on product mix in reducing the overall cost of deposits as evidenced by an increase in money market and noninterest bearing deposits and a corresponding decrease in core certificates of deposit. In addition, the Camco acquisition contributed to the deposit increase.

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

A \$13.8 million, or 23%, decrease in NCOs, combined with improved credit metrics in business banking and in consumer loans.

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

\$7.7 million, or 8%, increase in service charges on deposit accounts, primarily due to an increase in the number of households and changing customer usage patterns.

\$6.0 million, or 14%, increase in electronic banking income, primarily due to higher transaction volumes and an increase in the number of households.

\$4.2 million, or 42%, increase in other noninterest income, primarily due to an increase in gains on SBA loan sales and loan servicing and an increase in revenue from our credit card product, which was introduced in the 2013 third quarter.

Partially offset by:

\$6.5 million, or 51% decline in mortgage banking income, primarily due to lower refinancing activity referred to the Home Lending segment.

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

\$12.2 million, or 6% increase in other noninterest expense, primarily due to a \$12.8 million, or 7% increase in allocated indirect expenses.

\$2.7 million, or 17% increase in equipment expense, primarily due to technology investments, including ATM deposit automation and replacement of computers in branches in advance of implementing a new teller system.

\$2.1 million, or 12% increase in outside data processing and other services expense, primarily related to our new credit card product.

Partially offset by:

\$8.7 million, or 6%, decrease in personnel costs, primarily due to the curtailment of the pension plan at the end of 2013. Various efficiency improvement initiatives also contributed to the decrease in personnel costs.

\$3.6 million, or 46%, reduction in deposit and other insurance.

\$1.4 million, or 10%, reduction in amortization of intangibles.

Table of Contents**Commercial Banking****Table 36 Key Performance Indicators for Commercial Banking**

<i>(dollar amounts in thousands unless otherwise noted)</i>	Six Months Ended June 30,		Change	
	2014	2013	Amount	Percent
Net interest income	\$ 142,626	\$ 139,995	\$ 2,631	2%
Provision for credit losses	17,596	(8,614)	26,210	N.R.
Noninterest income	66,237	63,780	2,457	4
Noninterest expense	95,840	98,536	(2,696)	(3)
Provision for income taxes	33,399	39,849	(6,450)	(16)
Net income	\$ 62,028	\$ 74,004	\$ (11,976)	(16)%
Number of employees (average full-time equivalent)	643	687	(44)	(6)%
Total average assets <i>(in millions)</i>	\$ 12,887	\$ 11,663	\$ 1,224	10
Total average loans/leases <i>(in millions)</i>	11,077	10,656	421	4
Total average deposits <i>(in millions)</i>	9,918	9,118	800	9
Net interest margin	2.60%	2.76%	(0.16)%	(6)
NCOs	\$ 5,479	\$ (3,029)	\$ 8,508	(281)
NCOs as a % of average loans and leases	0.10%	(0.06)%	0.16%	(267)
Return on average common equity	9.6	14.9	(5.3)	(36)

N.R. Not relevant, as denominator of calculation is a negative in prior period compared with positive in current period.

2014 First Six Months vs. 2013 First Six Months

Commercial Banking reported net income of \$62.0 million in the first six-month period of 2014. This was a decrease of \$12.0 million, or 16%, compared to the year-ago period. The decrease in net income reflected a combination of factors described below.

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

\$0.8 billion, or 9%, increase in average total deposits.

\$1.1 billion, or 10%, increase in total average earning assets.

Partially offset by:

16 basis point decrease in the net interest margin, primarily due to a 10 basis point compression in commercial loan spreads, as well as decreased funds transfer pricing credit on deposits.

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

\$0.7 billion increase in available-for-sale securities.

\$0.4 billion, or 507%, increase in the international loan portfolio, primarily bankers acceptances and foreign insured receivables.

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\$0.2 billion, or 2%, increase in the middle market loan portfolio, primarily due to our focus in specialty businesses.
Partially offset by:

\$0.2 billion, or 54%, decrease in commercial loans managed by SAD, which reflected improved credit quality in the portfolio.

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

\$1.0 billion, or 12%, increase in core deposits, which primarily reflected a \$0.5 billion increase in noninterest-bearing demand deposits. Middle market accounts, such as not-for-profit universities and healthcare, contributed \$0.7 billion of the balance growth, while corporate banking accounts contributed \$0.3 billion.

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

The increase was primarily due to loan growth and an increase in NCOs.

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

\$1.6 million, or 7%, increase in service charges on deposit accounts and other Treasury Management related revenue, primarily due to a new commercial card product implemented in 2013.

\$1.3 million, or 32%, increase in international related revenue, primarily due to bankers acceptances and letters of credit.

Partially offset by:

\$1.3 million, or 9%, decrease in commitment and other loan related fees primarily reflecting a significant one-time fee in the 2013 first quarter.

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

\$2.8 million, or 45%, decrease in deposit and other insurance expense.

\$1.2 million, or 6%, decrease in allocated overhead expense.

Partially offset by:

\$1.2 million, or 23%, increase in treasury management related data processing expense, driven primarily by the new commercial card product.

Table of Contents**Automobile Finance and Commercial Real Estate****Table 37 Key Performance Indicators for Automobile Finance and Commercial Real Estate**

<i>(dollar amounts in thousands unless otherwise noted)</i>	Six Months Ended June 30,		Change	
	2014	2013	Amount	Percent
Net interest income	\$ 191,035	\$ 180,733	\$ 10,302	6%
Provision (reduction in allowance) for credit losses	(23,701)	(12,171)	11,530	95
Noninterest income	17,815	21,873	(4,058)	(19)
Noninterest expense	79,693	77,313	2,380	3
Provision for income taxes	53,500	48,112	5,388	11
Net income	\$ 99,358	\$ 89,352	\$ 10,006	11%
Number of employees (average full-time equivalent)	286	282	4	1%
Total average assets <i>(in millions)</i>	\$ 14,403	\$ 12,580	\$ 1,823	14
Total average loans/leases <i>(in millions)</i>	14,070	11,887	2,183	18
Total average deposits <i>(in millions)</i>	1,164	991	173	17
Net interest margin	2.68%	2.88%	(0.20)%	(7)
NCOs	\$ 4,602	\$ 14,185	\$ (9,583)	(68)
NCOs as a % of average loans and leases	0.07%	0.24%	(0.17)%	(71)
Return on average common equity	31.1	31.0	0.1	0

2014 First Six Months vs. 2013 First Six Months

AFCRE reported net income of \$99.4 million in the first six-month period of 2014. This was an increase of \$10.0 million, or 11%, compared to the year-ago period. The increase in net income reflected a combination of factors described below.

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

\$2.0 billion, or 40%, increase in automobile loans and leases, primarily due to continued strong origination volume.
Partially offset by:

20 basis point decrease in the net interest margin, primarily due to 16 basis point reduction in loan spreads. This decline primarily reflects the impact of competitive pricing pressures in all of our portfolios, partially offset by a \$5.1 million, or 7 basis points, recovery from the unexpected pay-off of an acquired commercial real estate loan.

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

Decline in NCOs and improving CRE credit metrics.

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

\$4.3 million, or 22%, decrease in other noninterest income, primarily due to decreases in market related gains associated with certain loans carried at fair value, operating lease related income and servicing income on securitized automobile loans.

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

\$4.2 million, or 9%, increase in other noninterest expense, primarily due to a \$5.1 million increase in allocated expenses, generally reflecting higher levels of business activity.

Partially offset by:

\$2.3 million, or 35%, decrease in deposit and other insurance expense.

Table of Contents**Regional Banking and The Huntington Private Client Group****Table 38 Key Performance Indicators for Regional Banking and The Huntington Private Client Group**

<i>(dollar amounts in thousands unless otherwise noted)</i>	Six Months Ended June 30,		Change	
	2014	2013	Amount	Percent
Net interest income	\$ 51,160	\$ 54,028	\$ (2,868)	(5)%
Provision for credit losses	2,174	10,288	(8,114)	(79)
Noninterest income	89,983	100,365	(10,382)	(10)
Noninterest expense	116,047	119,418	(3,371)	(3)
Provision for income taxes	8,023	8,640	(617)	(7)
Net income	\$ 14,899	\$ 16,047	\$ (1,148)	(7)%
Number of employees (average full-time equivalent)	1,055	1,077	(22)	(2)%
Total average assets <i>(in millions)</i>	\$ 3,779	\$ 3,737	\$ 42	1
Total average loans/leases <i>(in millions)</i>	2,861	2,832	29	1
Total average deposits <i>(in millions)</i>	5,883	5,796	87	2
Net interest margin	1.82%	1.93%	(0.11)%	(6)
NCOs	\$ 4,993	\$ 5,328	\$ (335)	(6)
NCOs as a % of average loans and leases	0.35%	0.38%	(0.03)%	(8)
Return on average common equity	6.0	6.5	(0.5)	(8)
Total assets under management <i>(in billions) eop</i>	16.8	16.8		
Total trust assets <i>(in billions) eop</i>	81.1	78.4	2.7	3

eop - End of Period.

2014 First Six Months vs. 2013 First Six Months

RBHPCG reported net income of \$14.9 million in the first six-month period of 2014. This was a decrease of \$1.1 million, or 7%, when compared to the year-ago period. The decrease in net income reflected a combination of factors described below.

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

11 basis point decrease in the net interest margin, primarily due to lower spreads on deposits, resulting from lower funds transfer pricing rates.

Partially offset by:

\$0.1 billion, or 2%, increase in average total deposits.

The decrease in provision for credit losses reflected:

Improved credit quality of commercial loans.

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

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\$3.6 million, or 6%, decrease in trust services, primarily due to reduced proprietary mutual fund revenue mainly due to a reduction in asset values and partially due to the sale of the fixed income funds.

\$3.5 million, or 35%, decrease in other noninterest income, primarily due to a gain realized from LIHTC investment sales in the 2013 first quarter.

\$1.9 million, or 9%, decrease in brokerage income, primarily due to a change in the product sales mix.

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

\$3.8 million, or 13%, decrease in other noninterest expense, primarily due to a decrease in allocated costs.

\$2.0 million, or 3%, decrease in personnel costs, primarily due to the curtailment of the pension plan at the end of 2013.
Partially offset by:

\$2.5 million, or 148%, increase in professional services expense, primarily due to increased consulting fees.

Table of Contents**Home Lending****Table 39 Key Performance Indicators for Home Lending**

<i>(dollar amounts in thousands unless otherwise noted)</i>	Six Months Ended June 30,		Change	
	2014	2013	Amount	Percent
Net interest income	\$ 27,377	\$ 24,706	\$ 2,671	11%
Provision for credit losses	16,511	6,492	10,019	154
Noninterest income	39,108	67,222	(28,114)	(42)
Noninterest expense	67,967	72,432	(4,465)	(6)
Provision for income taxes	(6,298)	4,551	10,849	238
Net income (Loss)	\$ (11,695)	\$ 8,453	\$ 20,148	238%
Number of employees (average full-time equivalent)	989	1,117	(128)	(11)%
Total average assets <i>(in millions)</i>	\$ 3,742	\$ 3,593	\$ 149	4
Total average loans/leases <i>(in millions)</i>	3,245	3,026	219	7
Total average deposits <i>(in millions)</i>	277	399	(122)	(31)
Net interest margin	1.57%	1.46%	0.11	8
NCOs	\$ 10,526	\$ 10,175	\$ 351	3
NCOs as a % of average loans and leases	0.65%	0.67%	(0.02)	(3)
Return on average common equity	(13.5)	9.3	22.8	N.R.
Mortgage banking origination volume <i>(in millions)</i>	\$ 585	\$ 816	\$ (231)	(28)

N.R. Not relevant, as denominator of calculation is a loss in the current period compared with a loss in the prior period.

2014 First Six Months vs. 2013 First Six Months

Home Lending reported a net loss of \$11.7 million in the first six-month period of 2014 compared to net income of \$8.5 million in the year-ago period. Home Lending supports the origination and servicing of mortgage loans across all segments. The decrease in net income reflected a combination of factors described below.

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

11 basis point increase in the net interest margin, primarily due to a 19 basis point increase in loan spreads. This increase is primarily driven by lower funding costs on the loan portfolio.

\$0.2 billion, or 7%, increase in average total loans.

Partially offset by:

\$0.1 billion, or 31%, decrease in average total deposits driven by lower refinance volume and escrow balances.

The increase in provision for credit losses reflected:

The increase in NCOs and the transfer of the student loan portfolio to loans held-for-sale during the 2014 first quarter.

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

\$26.1 million, or 41%, decrease in mortgage banking income, primarily due to a reduction in volume and gain on sale related to lower refinancing levels.

\$1.7 million, or 55%, decrease in insurance income, primarily due to lower refinance volume related to title insurance referrals.
The decrease in noninterest expense from the year-ago period reflected:

\$7.2 million, or 15%, decrease in personnel costs, primarily due to lower mortgage production volume and lower headcount.

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Partially offset by:

\$2.2 million, or 20%, increase in other noninterest expense, primarily due to goodwill impairment in the 2014 first quarter.

\$1.9 million, or 26%, increase in outside data processing and other services, primarily due to spending on loan promotions.

ADDITIONAL DISCLOSURES

Forward-Looking Statements

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

While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ materially from those contained or implied in the forward-looking statements: (1) worsening of credit quality performance due to a number of factors such as the underlying value of collateral that could prove less valuable than otherwise assumed and assumed cash flows may be worse than expected, (2) changes in general economic, political, or industry conditions, uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Federal Reserve Board, volatility and disruptions in global capital and credit markets, (3) movements in interest rates, (4) competitive pressures on product pricing and services, (5) success, impact, and timing of our business strategies, including market acceptance of any new products or services implementing our Fair Play banking philosophy, (6) changes in accounting policies and principles and the accuracy of our assumptions and estimates used to prepare our financial statements, (7) extended disruption of vital infrastructure, (8) the final outcome of significant litigation, (9) the nature, extent, timing, and results of governmental actions, examinations, reviews, reforms, regulations, and interpretations, including those related to the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III regulatory capital reforms, as well as those involving the OCC, Federal Reserve, FDIC, and CFPB, and (10) the outcome of judicial and regulatory decisions regarding practices in the residential mortgage industry, including among other things the processes followed for foreclosing residential mortgages. Additional factors that could cause results to differ materially from those described above can be found in our 2013 Annual Report on Form 10-K and documents subsequently filed by us with the Securities and Exchange Commission.

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

Non-Regulatory Capital Ratios

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

Tangible common equity to tangible assets,

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

Tangible common equity to risk-weighted assets using Basel I definition.

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

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

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Risk Factors

Information on risk is discussed in the Risk Factors section included in Item 1A of our 2013 Form 10-K. Additional information regarding risk factors can also be found in the Risk Management and Capital discussion of this report.

Critical Accounting Policies and Use of Significant Estimates

Our financial statements are prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires us to establish critical accounting policies and make accounting estimates, assumptions, and judgments that affect amounts recorded and reported in our financial statements. Note 1 of Notes to Consolidated Financial Statements included in our 2013 Form 10-K, as supplemented by this report, lists significant accounting policies we use in the development and presentation of our financial statements. This MD&A, the significant accounting policies, and other financial statement disclosures identify and address key variables and other qualitative and quantitative factors necessary for an understanding and evaluation of our company, financial position, results of operations, and cash flows.

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

Our most significant accounting estimates relate to our ACL, income taxes and deferred tax assets, and fair value measurements of investment securities, goodwill, pension, and other real estate owned. These significant accounting estimates and their related application are discussed in our 2013 Form 10-K.

Recent Accounting Pronouncements and Developments

Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements discusses new accounting pronouncements adopted during 2014 and the expected impact of accounting pronouncements recently issued but not yet required to be adopted. To the extent the adoption of new accounting standards materially affect financial condition, results of operations, or liquidity, the impacts are discussed in the applicable section of this MD&A and the Notes to Unaudited Condensed Consolidated Financial Statements.

Table of Contents**Item 1: Financial Statements****Huntington Bancshares Incorporated****Condensed Consolidated Balance Sheets***(Unaudited)*

<i>(dollar amounts in thousands, except number of shares)</i>	2014 June 30,	2013 December 31,
Assets		
Cash and due from banks	\$ 1,218,453	\$ 1,001,132
Interest-bearing deposits in banks	69,634	57,043
Trading account securities	50,541	35,573
Loans held for sale (includes \$316,182 and \$278,928 respectively, measured at fair value) (1)	317,862	326,212
Available-for-sale and other securities	8,491,037	7,308,753
Held-to-maturity securities	3,621,995	3,836,667
Loans and leases (includes \$25,498 and \$52,286 respectively, measured at fair value) (1)	46,079,775	43,120,500
Allowance for loan and lease losses	(635,101)	(647,870)
Net loans and leases	45,444,674	42,472,630
Bank owned life insurance	1,693,991	1,647,170
Premises and equipment	622,289	634,657
Goodwill	505,448	444,268
Other intangible assets	81,460	93,193
Accrued income and other assets	1,679,729	1,609,876
Total assets	\$ 63,797,113	\$ 59,467,174
Liabilities and shareholders equity		
Liabilities		
Deposits	\$ 48,748,765	\$ 47,506,718
Short-term borrowings	1,252,409	552,143
Federal Home Loan Bank advances	2,883,173	1,808,293
Other long-term debt	2,602,869	1,349,119
Subordinated notes	983,310	1,100,860
Accrued expenses and other liabilities	1,085,796	1,059,888
Total liabilities	57,556,322	53,377,021
Shareholders equity		
Preferred stock authorized 6,617,808 shares:		
Series A, 8.50% fixed rate, non-cumulative perpetual convertible preferred stock, par value of \$0.01, and liquidation value per share of \$1,000	362,507	362,507
Series B, floating rate, non-voting, non-cumulative perpetual preferred stock, par value of \$0.01, and liquidation value per share of \$1,000	23,785	23,785
Common stock	8,182	8,322
Capital surplus	7,279,244	7,398,515
Less treasury shares, at cost	(9,071)	(9,643)
Accumulated other comprehensive loss	(159,727)	(214,009)
Retained (deficit) earnings	(1,264,129)	(1,479,324)
Total shareholders equity	6,240,791	6,090,153

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Total liabilities and shareholders equity	\$ 63,797,113	\$ 59,467,174
Common shares authorized (par value of \$0.01)	1,500,000,000	1,500,000,000
Common shares issued	818,248,450	832,217,098
Common shares outstanding	817,002,296	830,963,427
Treasury shares outstanding	1,246,154	1,253,671
Preferred shares issued	1,967,071	1,967,071
Preferred shares outstanding	398,007	398,007

(1) Amounts represent loans for which Huntington has elected the fair value option.
See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents**Huntington Bancshares Incorporated****Condensed Consolidated Statements of Income***(Unaudited)*

	Three Months Ended		Six Months Ended	
	June 30, 2014	2013	June 30, 2014	2013
<i>(dollar amounts in thousands, except per share amounts)</i>				
Interest and fee income:				
Loans and leases	\$ 421,152	\$ 405,445	\$ 823,674	\$ 812,324
Available-for-sale and other securities				
Taxable	42,028	38,539	80,484	78,724
Tax-exempt	6,391	2,760	11,862	5,375
Held-to-maturity securities - taxable	22,614	9,778	45,934	19,616
Other	3,137	6,060	5,823	11,862
Total interest income	495,322	462,582	967,777	927,901
Interest expense:				
Deposits	21,846	29,591	45,784	61,626
Short-term borrowings	270	179	420	413
Federal Home Loan Bank advances	622	273	1,075	574
Subordinated notes and other long-term debt	12,536	7,602	22,944	16,181
Total interest expense	35,274	37,645	70,223	78,794
Net interest income	460,048	424,937	897,554	849,107
Provision for credit losses	29,385	24,722	54,015	54,314
Net interest income after provision for credit losses	430,663	400,215	843,539	794,793
Service charges on deposit accounts	72,633	68,009	137,215	128,892
Mortgage banking income	22,717	33,659	45,807	78,907
Trust services	29,581	30,666	59,146	61,826
Electronic banking	26,491	23,345	50,133	44,058
Insurance income	15,996	17,187	32,492	36,439
Brokerage income	17,831	19,546	34,903	37,541
Bank owned life insurance income	13,865	15,421	27,172	28,863
Capital markets fees	10,500	12,229	19,694	20,063
Gain on sale of loans	3,914	3,348	7,484	5,964
Net gains on sales of securities	490	610	17,460	797
Impairment losses recognized in earnings on available-for-sale securities		(1,020)		(1,716)
Other noninterest income	36,049	28,919	67,046	66,903
Total noninterest income	250,067	251,919	498,552	508,537
Personnel costs	260,600	263,862	510,077	522,757
Outside data processing and other services	54,338	49,898	105,828	99,163
Net occupancy	28,673	27,656	62,106	57,770
Equipment	28,749	24,947	57,499	49,827
Marketing	14,832	14,239	25,518	25,210
Deposit and other insurance expense	10,599	13,460	24,317	28,950
Amortization of intangibles	9,520	10,362	18,811	20,682

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Professional services	17,896	9,341	30,127	16,533
Other noninterest expense	33,429	32,100	84,474	67,766
Total noninterest expense	458,636	445,865	918,757	888,658
Income before income taxes	222,094	206,269	423,334	414,672
Provision for income taxes	57,475	55,269	109,572	110,398
Net income	164,619	151,000	313,762	304,274
Dividends on preferred shares	7,963	7,967	15,927	15,937
Net income applicable to common shares	\$ 156,656	\$ 143,033	\$ 297,835	\$ 288,337
Average common shares basic	821,546	834,730	825,603	837,917
Average common shares diluted	834,687	843,840	838,546	846,274
Per common share:				
Net income basic	\$ 0.19	\$ 0.17	\$ 0.36	\$ 0.34
Net income diluted	0.19	0.17	0.36	0.34
Cash dividends declared	0.05	0.05	0.10	0.09
OTTI losses for the periods presented:				
Total OTTI losses	\$	\$ (1,020)	\$	\$ (1,716)
Noncredit-related portion of loss recognized in OCI				
Impairment losses recognized in earnings on available-for-sale securities	\$	\$ (1,020)	\$	\$ (1,716)

See Notes to Unaudited Condensed Consolidated Financial Statements

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

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income	\$ 164,619	\$ 151,000	\$ 313,762	\$ 304,274
Other comprehensive income, net of tax:				
Unrealized gains on available-for-sale and other securities:				
Non-credit-related impairment recoveries on debt securities not expected to be sold	809	3,945	5,598	7,754
Unrealized net gains (losses) on available-for-sale and other securities arising during the period, net of reclassification for net realized gains	23,448	(76,664)	30,401	(81,989)
Total unrealized gains (losses) on available-for-sale and other securities	24,257	(72,719)	35,999	(74,235)
Unrealized gains (losses) on cash flow hedging derivatives	17,186	(56,410)	17,129	(69,380)
Change in accumulated unrealized losses for pension and other post-retirement obligations	577	5,348	1,154	10,696
Other comprehensive income (loss)	42,020	(123,781)	54,282	(132,919)
Comprehensive income	\$ 206,639	\$ 27,219	\$ 368,044	\$ 171,355

See Notes to Unaudited Condensed Consolidated Financial Statements

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

(All amounts in thousands, except for per share amounts)	Preferred Stock				Common Stock			Treasury Stock		Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Series A	Series B Floating Rate	Shares	Amount	Shares	Amount	Surplus	Shares	Amount	Loss	(Deficit)	
Six Months Ended June 30, 2013												
Balance, beginning of period	363	\$ 362,507	35	\$ 23,785	844,105	\$ 8,441	\$ 7,475,149	(1,292)	\$ (10,921)	\$ (150,817)	\$ (1,917,933)	\$ 5,790,211
Cumulative effect of change in accounting principle for low income housing tax credits, net of tax of \$53,896											(11,711)	(11,711)
Balance, beginning of period - as adjusted	363	\$ 362,507	35	\$ 23,785	844,105	\$ 8,441	\$ 7,475,149	(1,292)	\$ (10,921)	\$ (150,817)	\$ (1,929,644)	\$ 5,778,500
Net income											304,274	304,274
Other comprehensive income (loss)										(132,919)		(132,919)
Repurchase of common stock					(14,734)	(147)	(108,651)					(108,798)
Cash dividends declared:												
Common (\$0.09 per share)											(75,094)	(75,094)
Preferred Series A (\$42.50 per share)											(15,406)	(15,406)
Preferred Series B (\$14.95 per share)											(531)	(531)
Recognition of the fair value of share-based compensation							17,896					17,896
Other share-based compensation activity					1,659	16	6,280				(137)	6,159
Other							(633)	(63)	202		(3)	(434)
Balance, end of period	363	\$ 362,507	35	\$ 23,785	831,030	\$ 8,310	\$ 7,390,041	(1,355)	\$ (10,719)	\$ (283,736)	\$ (1,716,541)	\$ 5,773,647
Six Months Ended June 30, 2014												
Balance, beginning of period	363	\$ 362,507	35	\$ 23,785	832,217	\$ 8,322	\$ 7,398,515	(1,331)	\$ (9,643)	\$ (214,009)	\$ (1,479,324)	\$ 6,090,153
Net income											313,762	313,762
Other comprehensive income (loss)										54,282		54,282
Shares issued pursuant to acquisition					8,670	87	91,577					91,664
Shares issued to HIP					276	3	2,594					2,597
Repurchases of common stock					(26,666)	(267)	(246,722)					(246,989)
Cash dividends declared:												
Common (\$0.10 per share)											(82,245)	(82,245)

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Preferred Series A (\$42.50 per share)										(15,407)	(15,407)	
Preferred Series B (\$14.68 per share)										(521)	(521)	
Recognition of the fair value of share-based compensation						22,792					22,792	
Other share-based compensation activity					2,942	29	8,700			(350)	8,379	
Other					809	8	1,788	85	572	(44)	2,324	
Balance, end of period	363	\$ 362,507	35	\$ 23,785	818,248	\$ 8,182	\$ 7,279,244	(1,246)	\$ (9,071)	\$ (159,727)	\$ (1,264,129)	\$ 6,240,791

See Notes to Unaudited Condensed Consolidated Financial Statements

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

<i>(dollar amounts in thousands)</i>	Six Months Ended June 30,	
	2014	2013
Operating activities		
Net income	\$ 313,762	\$ 304,274
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of goodwill	3,000	
Provision for credit losses	54,015	54,314
Depreciation and amortization	152,867	135,364
Share-based compensation expense	22,792	17,896
Change in deferred income taxes	(10,280)	77,234
Originations of loans held for sale	(1,087,825)	(1,583,569)
Principal payments on and proceeds from loans held for sale	1,071,980	1,624,214
Gain on sale of loans held for sale	(12,209)	(34,687)
Net gain on sales of securities	(17,460)	(797)
Impairment losses recognized in earnings on available-for-sale securities		1,716
Net change in:		
Trading account securities	(14,968)	10,278
Accrued income and other assets	(108,154)	(15,150)
Accrued expense and other liabilities	15,079	(181,999)
Net cash provided by (used for) operating activities	382,599	409,088
Investing activities		
Change in interest bearing deposits in banks	(12,591)	86,480
Cash paid for acquisition, net of cash received	(13,452)	
Proceeds from:		
Maturities and calls of available-for-sale and other securities	498,227	772,700
Maturities of held-to-maturity securities	212,679	111,280
Sales of available-for-sale and other securities	1,070,305	328,031
Purchases of available-for-sale and other securities	(2,603,602)	(777,389)
Purchases of held-to-maturity securities		(248,741)
Net proceeds from sales of loans	132,074	236,373
Net loan and lease activity, excluding sales	(2,422,729)	(1,077,734)
Proceeds from sale of operating lease assets	377	7,499
Purchases of premises and equipment	(22,595)	(49,127)
Proceeds from sales of other real estate	17,326	20,800
Purchases of loans and leases	(205,603)	(18,110)
Purchase of customer list	(223)	
Other, net	2,552	2,015
Net cash provided by (used for) investing activities	(3,347,255)	(605,923)
Financing activities		
Increase (decrease) in deposits	685,180	82,055
Increase (decrease) in short-term borrowings	703,468	109,480
Maturity/redemption of subordinated notes	(124,907)	(50,000)
Proceeds from Federal Home Loan Bank advances	2,875,000	2,275,000
Maturity/redemption of Federal Home Loan Bank advances	(1,873,865)	(2,300,566)

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Proceeds from issuance of long-term debt	1,250,000	
Maturity/redemption of long-term debt		(2,086)
Dividends paid on preferred stock	(15,929)	(15,943)
Dividends paid on common stock	(82,584)	(67,569)
Repurchases of common stock	(246,989)	(108,798)
Net proceeds from issuance of common stock	2,597	
Other, net	10,006	6,362
Net cash provided by (used for) financing activities	3,181,977	(72,065)
Increase (decrease) in cash and cash equivalents	217,321	(268,900)
Cash and cash equivalents at beginning of period	1,001,132	1,262,806
Cash and cash equivalents at end of period	\$ 1,218,453	\$ 993,906
Supplemental disclosures:		
Income taxes paid (refunded)	\$ 57,750	\$ 49,699
Interest paid	69,677	75,957
Non-cash activities		
Loans transferred to held-for-sale from portfolio	18,168	50,788
Loans transferred to portfolio from held-for-sale	45,240	307,303
Dividends accrued, paid in subsequent quarter	46,645	47,832

See Notes to Unaudited Condensed Consolidated Financial Statements.

Table of Contents**Huntington Bancshares Incorporated****Notes to Unaudited Condensed Consolidated Financial Statements****1. BASIS OF PRESENTATION**

The accompanying Unaudited Condensed Consolidated Financial Statements of Huntington reflect all adjustments consisting of normal recurring accruals which are, in the opinion of Management, necessary for a fair presentation of the consolidated financial position, the results of operations, and cash flows for the periods presented. These Unaudited Condensed Consolidated Financial Statements have been prepared according to the rules and regulations of the SEC and, therefore, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been omitted. The Notes to Consolidated Financial Statements appearing in Huntington's Form 8-K filed on May 28, 2014, which include descriptions of significant accounting policies, as updated by the information contained in this report, should be read in conjunction with these interim financial statements.

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

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

2. ACCOUNTING STANDARDS UPDATE

ASU 2013-11 Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The ASU requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. However, if a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The amendments were applied prospectively and were effective for interim and annual reporting periods beginning January 1, 2014. The amendments did not have a material impact to Huntington's Unaudited Condensed Consolidated Financial Statements.

ASU 2014-01 Investments (Topic 323): Accounting for Investments in Qualified Affordable Housing Projects.

The amendments in ASU 2014-01 permit entities to make an accounting policy election to account for investments in qualified affordable housing projects using the proportional amortization method if certain conditions are met. Under the proportional amortization method, an entity recognizes the net investment performance in the income statement as a component of income tax expense (benefit). Huntington elected to early adopt the amended guidance during the first quarter of 2014. The guidance was applied retrospectively to all prior periods presented. The adoption resulted in an immaterial adjustment reducing retained earnings at the beginning of 2010. The impact to current period net income was not material. See discussion on Low Income Housing Tax Credit Partnerships in Note 16 for further information on this topic.

ASU 2014-04 Receivables (Topic 310): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure. The ASU clarifies that an in substance repossession or foreclosure occurs upon either the creditor obtaining legal title to the residential real estate property or the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. The amendments are effective for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. The amendments may be adopted using either a modified retrospective transition method or a prospective transition method. Early adoption is permitted. Management does not believe the amendments will have a material impact to Huntington's Unaudited Condensed Consolidated Financial Statements.

ASU 2014-09 Revenue from Contracts with Customers (Topic 606): The amendments in ASU 2014-09 supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. The core principle of the amendments require an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides five steps to be analyzed to accomplish the core principle. The amendments are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Management is currently assessing the impact to Huntington's Unaudited Condensed Consolidated Financial Statements.

ASU 2014-11 Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures. The amendments in the ASU require repurchase-to-maturity transactions to be recorded and accounted for as secured borrowings. Amendments to Topic 860 also require separate accounting for a transfer of a financial asset executed

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contemporaneously with a repurchase agreement with the same counterparty (i.e., a repurchase financing), which will result in secured borrowing accounting for the repurchase agreement. Additionally, the amendments require an entity to disclose information on transfers accounted for as sales in transactions that are economically similar to repurchase agreements, and provide increased transparency about the types of collateral pledged in repurchase agreements and similar transactions accounted for as secured borrowings. The accounting amendments related to repurchase-to-maturity and repurchase financing transactions, and disclosures for certain transactions accounted for as a sale are effective for interim and annual periods beginning after December 15, 2014. The disclosures for repurchase agreements, securities lending transactions, and repurchase-to-maturity transactions accounted for as secured borrowings are required to be presented for annual periods beginning after December 15, 2014, and for interim periods beginning after March 15, 2015. Management is currently assessing the impact to Huntington's Unaudited Condensed Consolidated Financial Statements.

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

3. LOANS / LEASES AND ALLOWANCE FOR CREDIT LOSSES

Loans and leases for which Huntington has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are classified in the Unaudited Condensed Consolidated Balance Sheets as loans and leases. Except for loans which are accounted for at fair value, loans and leases are carried at the principal amount outstanding, net of unamortized deferred loan origination fees and costs and net of unearned income. At June 30, 2014, and December 31, 2013, the aggregate amount of these net unamortized deferred loan origination fees and costs and net unearned income was \$177.2 million and \$192.9 million, respectively.

Loan and Lease Portfolio Composition

The following table provides a detailed listing of Huntington's loan and lease portfolio at June 30, 2014 and December 31, 2013:

(dollar amounts in thousands)	June 30, 2014	December 31, 2013
Loans and leases:		
Commercial and industrial	\$ 18,899,458	\$ 17,594,276
Commercial real estate	4,990,317	4,850,094
Automobile	7,685,725	6,638,713
Home equity	8,405,078	8,336,318
Residential mortgage	5,707,424	5,321,088
Other consumer	391,773	380,011
Loans and leases	46,079,775	43,120,500
Allowance for loan and lease losses	(635,101)	(647,870)
Net loans and leases	\$ 45,444,674	\$ 42,472,630

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

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Portfolio
Commercial and industrial

Class
Owner occupied
Purchased credit-impaired
Other commercial and industrial

Commercial real estate

Retail properties
Multi family
Office

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	Industrial and warehouse Purchased credit-impaired Other commercial real estate
Automobile	NA (1)
Home equity	Secured by first-lien Secured by junior-lien
Residential mortgage	Residential mortgage Purchased credit-impaired
Other consumer	Other consumer Purchased credit-impaired

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

Camco Financial acquisition

On March 1, 2014, Huntington completed its acquisition of Camco Financial in a stock and cash transaction valued at \$109.5 million. Loans with a fair value of \$559.4 million were transferred to Huntington. These loans were recorded at fair value in accordance with applicable accounting guidance, ASC 805. The fair values for the loans were estimated using discounted cash flow analyses using interest rates currently being offered for loans with similar terms (Level 3), and reflected an estimate of probable losses and the credit risk associated with the loans.

Purchased Credit-Impaired Loans

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

The following table reflects the contractually required payments receivable, cash flows expected to be collected, and fair value of the credit impaired Camco Financial loans at acquisition date:

	March 1, 2014
<i>(dollar amounts in thousands)</i>	
Contractually required payments including interest	\$ 14,363
Less: nonaccretable difference	(11,234)
Cash flows expected to be collected	3,129
Less: accretable yield	(143)
Fair value of loans acquired	\$ 2,986

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The following table presents a rollforward of the accretable yield for purchased credit impaired loans by acquisition for three-month and six-month periods ended June 30, 2014 and 2013:

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Fidelity Bank				
Balance, beginning of period	\$ 24,758	\$ 35,160	\$ 27,995	\$ 23,251
Additions				
Accretion	(3,647)	(3,781)	(7,651)	(7,100)
Reclassification from nonaccretable difference	3,485	1,326	4,252	16,554
Balance, end of period	\$ 24,596	\$ 32,705	\$ 24,596	\$ 32,705
Camco Financial				
Balance, beginning of period	\$ 134	\$	\$	\$
Impact of acquisition/purchase on March 1, 2014			143	
Additions				
Accretion	(5,173)		(5,182)	
Reclassification from nonaccretable difference	5,193		5,193	
Balance, end of period	\$ 154	\$	\$ 154	\$

The allowance for loan losses recorded on the purchased credit-impaired loan portfolio at June 30, 2014 and December 31, 2013 was \$3.1 million and \$2.4 million, respectively. The following table reflects the ending and unpaid balances of all contractually required payments and carrying amounts of the acquired loans by acquisition at June 30, 2014 and December 31, 2013:

<i>(dollar amounts in thousands)</i>	June 30, 2014		December 31, 2013	
	Ending Balance	Unpaid Balance	Ending Balance	Unpaid Balance
Fidelity Bank				
Commercial and industrial	\$ 34,704	\$ 49,914	\$ 35,526	\$ 50,798
Commercial real estate	55,256	119,152	82,073	154,869
Residential mortgage	2,359	3,242	2,498	3,681
Other consumer	53	133	129	219
Total	\$ 92,372	\$ 172,441	\$ 120,226	\$ 209,567
Camco Financial				
Commercial and industrial	\$ 673	\$ 1,706	\$	\$
Commercial real estate	2,039	3,879		
Total	\$ 2,712	\$ 5,585	\$	\$

Loan Purchases and Sales

The following table summarizes significant portfolio loan purchase and sale activity for the three-month and six-month periods ended June 30, 2014 and 2013. The table below excludes mortgage loans originated for sale.

(dollar amounts in thousands)

Automobile

Total

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	Commercial and Industrial	Commercial Real Estate	Home Equity	Residential Mortgage	Other Consumer		
Portfolio loans and leases purchased during the:							
Three-month period ended June 30, 2014	\$ 165,482	\$	\$	\$	\$	\$	\$ 165,482
Six-month period ended June 30, 2014	\$ 205,603	\$	\$	\$	\$	\$	\$ 205,603
Three-month period ended June 30, 2013	\$ 34,196	\$	\$	\$	\$	\$	\$ 34,196
Six-month period ended June 30, 2013	\$ 55,737	\$	\$	\$	\$	\$	\$ 55,737
Portfolio loans and leases sold or transferred to loans held for sale during the:							
Three-month period ended June 30, 2014	\$ 50,472	\$ 7,395	\$	\$	\$ 7,592	\$	\$ 65,459
Six-month period ended June 30, 2014	\$ 104,731	\$ 7,434	\$	\$	7,592	\$	\$ 119,757
Three-month period ended June 30, 2013	\$ 55,464	\$ 87	\$	\$ 151,013	\$	\$	\$ 206,564
Six-month period ended June 30, 2013	\$ 83,066	\$ 3,991	\$	\$ 155,403	\$	\$	\$ 242,460

Table of Contents**NALs and Past Due Loans**

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

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

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

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

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

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

The following table presents NALs by loan class at June 30, 2014 and December 31, 2013:

<i>(dollar amounts in thousands)</i>	2014	2013
	June 30,	December 31,
Commercial and industrial:		
Owner occupied	\$ 33,378	\$ 38,321
Other commercial and industrial	41,896	18,294
Total commercial and industrial	\$ 75,274	\$ 56,615
Commercial real estate:		
Retail properties	\$ 26,253	\$ 27,328
Multi family	13,352	9,289
Office	10,671	18,995
Industrial and warehouse	4,159	6,310
Other commercial real estate	10,963	11,495
Total commercial real estate	\$ 65,398	\$ 73,417
Automobile	\$ 4,384	\$ 6,303
Home equity:		
Secured by first-lien	\$ 39,764	\$ 36,288
Secured by junior-lien	29,502	29,901

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Total home equity	\$ 69,266	\$ 66,189
Residential mortgage	\$ 110,635	\$ 119,532
Other consumer	\$	\$
Total nonaccrual loans	\$ 324,957	\$ 322,056

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The following table presents an aging analysis of loans and leases, including past due loans, by loan class at June 30, 2014 and December 31, 2013: (1)

	June 30, 2014					Total Loans and Leases	90 or more days past due and accruing
	30-59 Days	Past Due		Total	Current		
		60-89 Days	90 or more days				
<i>(dollar amounts in thousands)</i>							
Commercial and industrial:							
Owner occupied	\$ 6,809	\$ 3,082	\$ 24,724	\$ 34,615	\$ 4,236,698	\$ 4,271,313	\$
Purchased credit-impaired	642	1,040	9,952	11,634	23,743	35,377	9,977
Other commercial and industrial	7,680	3,262	10,155	21,097	14,571,671	14,592,768	
Total commercial and industrial	\$ 15,131	\$ 7,384	\$ 44,831	\$ 67,346	\$ 18,832,112	\$ 18,899,458	\$ 9,977(2)
Commercial real estate:							
Retail properties	\$ 1,703	\$ 841	\$ 6,828	\$ 9,372	\$ 1,366,874	\$ 1,376,246	\$
Multi family	3,510	246	10,288	14,044	1,042,683	1,056,727	
Office	1,968	978	6,019	8,965	936,700	945,665	
Industrial and warehouse	2,197	618	974	3,789	510,914	514,703	
Purchased credit-impaired	3,546	6,851	27,267	37,664	19,631	57,295	27,267
Other commercial real estate	2,460	2,271	5,112	9,843	1,029,838	1,039,681	
Total commercial real estate	\$ 15,384	\$ 11,805	\$ 56,488	\$ 83,677	\$ 4,906,640	\$ 4,990,317	\$ 27,267(2)
Automobile	\$ 39,465	\$ 7,662	\$ 2,976	\$ 50,103	\$ 7,635,622	\$ 7,685,725	\$ 2,895
Home equity:							
Secured by first-lien	\$ 16,816	\$ 9,106	\$ 30,067	\$ 55,989	\$ 4,896,673	\$ 4,952,662	\$ 5,801
Secured by junior-lien	23,175	12,337	32,495	68,007	3,384,409	3,452,416	9,111
Total home equity	\$ 39,991	\$ 21,443	\$ 62,562	\$ 123,996	\$ 8,281,082	\$ 8,405,078	\$ 14,912
Residential mortgage:							
Residential mortgage	\$ 115,573	\$ 40,103	\$ 136,859	\$ 292,535	\$ 5,412,530	\$ 5,705,065	\$ 81,315
Purchased credit-impaired			36	36	2,323	2,359	35
Total residential mortgage	\$ 115,573	\$ 40,103	\$ 136,895	\$ 292,571	\$ 5,414,853	\$ 5,707,424	\$ 81,350(3)
Other consumer:							
Other consumer	\$ 5,881	\$ 1,160	\$ 607	\$ 7,648	\$ 384,072	\$ 391,720	\$ 607
Purchased credit-impaired					53	53	
Total other consumer	\$ 5,881	\$ 1,160	\$ 607	\$ 7,648	\$ 384,125	\$ 391,773	\$ 607
Total loans and leases	\$ 231,425	\$ 89,557	\$ 304,359	\$ 625,341	\$ 45,454,434	\$ 46,079,775	\$ 137,008

	December 31, 2013					Total Loans and Leases	90 or more days past due and accruing
	30-59 Days	Past Due		Total	Current		
		60-89 Days	90 or more days				
<i>(dollar amounts in thousands)</i>							
Commercial and industrial:							
Owner occupied	\$ 5,935	\$ 1,879	\$ 25,658	\$ 33,472	\$ 4,314,400	\$ 4,347,872	\$
Purchased credit-impaired	241	433	14,562	15,236	20,290	35,526	14,562
Other commercial and industrial	10,342	3,075	11,210	24,627	13,186,251	13,210,878	
Total commercial and industrial	\$ 16,518	\$ 5,387	\$ 51,430	\$ 73,335	\$ 17,520,941	\$ 17,594,276	\$ 14,562(2)

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Commercial real estate:							
Retail properties	\$ 19,372	\$ 1,228	\$ 5,252	\$ 25,852	\$ 1,237,717	\$ 1,263,569	\$
Multi family	2,425	943	6,726	10,094	1,015,497	1,025,591	
Office	1,635	545	12,700	14,880	927,413	942,293	
Industrial and warehouse	465	3,714	4,395	8,574	464,319	472,893	
Purchased credit-impaired	1,311		39,142	40,453	41,620	82,073	39,142
Other commercial real estate	5,922	1,134	7,192	14,248	1,049,427	1,063,675	
Total commercial real estate	\$ 31,130	\$ 7,564	\$ 75,407	\$ 114,101	\$ 4,735,993	\$ 4,850,094	\$ 39,142(2)
Automobile	\$ 45,174	\$ 8,863	\$ 5,140	\$ 59,177	\$ 6,579,536	\$ 6,638,713	\$ 5,055
Home equity							
Secured by first-lien	\$ 20,551	\$ 8,746	\$ 28,472	\$ 57,769	\$ 4,784,375	\$ 4,842,144	\$ 6,338
Secured by junior-lien	28,965	13,071	31,392	73,428	3,420,746	3,494,174	7,645
Total home equity	\$ 49,516	\$ 21,817	\$ 59,864	\$ 131,197	\$ 8,205,121	\$ 8,336,318	\$ 13,983
Residential mortgage							
Residential mortgage	\$ 101,584	\$ 41,784	\$ 158,956	\$ 302,324	\$ 5,016,266	\$ 5,318,590	\$ 90,115
Purchased credit-impaired	194		339	533	1,965	2,498	339
Total residential mortgage	\$ 101,778	\$ 41,784	\$ 159,295	\$ 302,857	\$ 5,018,231	\$ 5,321,088	\$ 90,454(4)
Other consumer							
Other consumer	\$ 6,465	\$ 1,276	\$ 998	\$ 8,739	\$ 371,143	\$ 379,882	\$ 998
Purchased credit-impaired	69			69	60	129	
Total other consumer	\$ 6,534	\$ 1,276	\$ 998	\$ 8,808	\$ 371,203	\$ 380,011	\$ 998
Total loans and leases	\$ 250,650	\$ 86,691	\$ 352,134	\$ 689,475	\$ 42,431,025	\$ 43,120,500	\$ 164,194

- (1) NALs are included in this aging analysis based on the loan's past due status.
- (2) All amounts represent accruing purchased impaired loans related to acquisitions. Under the applicable accounting guidance (ASC 310-30), the loans were recorded at fair value upon acquisition and remain in accruing status.
- (3) Includes \$51,641 thousand guaranteed by the U.S. government.
- (4) Includes \$87,985 thousand guaranteed by the U.S. government.

Allowance for Credit Losses

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

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

The ALLL consists of two components: (1) the transaction reserve, which includes a loan level allocation, specific reserves related to loans considered to be impaired, and loans involved in troubled debt restructurings, and (2) the general reserve. The transaction reserve component includes both (1) an estimate of loss based on pools of commercial and consumer loans and leases with similar characteristics and (2) an

estimate of loss based on an impairment review of each impaired C&I and CRE loan greater than

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\$1.0 million. For the C&I and CRE portfolios, the estimate of loss based on pools of loans and leases with similar characteristics is made by applying a PD factor and a LGD factor to each individual loan based on a regularly updated loan grade, using a standardized loan grading system. The PD factor and an LGD factor are determined for each loan grade using statistical models based on historical performance data. The PD factor considers on-going reviews of the financial performance of the specific borrower, including cash flow, debt-service coverage ratio, earnings power, debt level, and equity position, in conjunction with an assessment of the borrower's industry and future prospects. The LGD factor considers analysis of the type of collateral and the relative LTV ratio. These reserve factors are developed based on credit migration models that track historical movements of loans between loan ratings over time and a combination of long-term average loss experience of our own portfolio and external industry data using a 24-month emergence period.

In the case of more homogeneous portfolios, such as automobile loans, home equity loans, and residential mortgage loans, the determination of the transaction reserve also incorporates PD and LGD factors. The estimate of loss is based on pools of loans and leases with similar characteristics. The PD factor considers current credit scores unless the account is delinquent, in which case a higher PD factor is used. The credit score provides a basis for understanding the borrower's past and current payment performance, and this information is used to estimate expected losses over the 12-month emergence period. The performance of first-lien loans ahead of our junior-lien loans is available to use as part of our updated score process. The LGD factor considers analysis of the type of collateral and the relative LTV ratio. Credit scores, models, analyses, and other factors used to determine both the PD and LGD factors are updated frequently to capture the recent behavioral characteristics of the subject portfolios, as well as any changes in loss mitigation or credit origination strategies, and adjustments to the reserve factors are made as required. Models utilized in the ALLL estimation process are subject to the Company's model validation policies.

The general reserve consists of the economic reserve and risk-profile reserve components. The economic reserve component considers the potential impact of changing market and economic conditions on portfolio performance. The risk-profile component considers items unique to our structure, policies, processes, and portfolio composition, as well as qualitative measurements and assessments of the loan portfolios including, but not limited to, management quality, concentrations, portfolio composition, industry comparisons, and internal review functions.

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

The ACL is increased through a provision for credit losses that is charged to earnings, based on Management's quarterly evaluation of the factors previously mentioned, and is reduced by charge-offs, net of recoveries, and the ACL associated with securitized or sold loans. There were no material changes in assumptions or estimation techniques compared with prior periods that impacted the determination of the current period's ALLL and AULC.

The following table presents ALLL and AULC activity by portfolio segment for the three-month and six-month periods ended June 30, 2014 and 2013:

<i>(dollar amounts in thousands)</i>	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
Three-month period ended June 30, 2014:							
ALLL balance, beginning of period	\$ 266,979	\$ 160,306	\$ 25,178	\$ 113,177	\$ 39,068	\$ 27,210	\$ 631,918
Loan charge-offs	(23,245)	(2,998)	(6,632)	(13,201)	(6,062)	(6,689)	(58,827)
Recoveries of loans previously charged-off	12,648	5,189	3,706	4,710	2,656	1,275	30,184
Provision for loan and lease losses	22,130	(25,151)	4,906	1,257	11,529	17,155	31,826
Allowance for loans sold or transferred to loans held for sale							
ALLL balance, end of period	\$ 278,512	\$ 137,346	\$ 27,158	\$ 105,943	\$ 47,191	\$ 38,951	\$ 635,101
AULC balance, beginning of period	\$ 46,316	\$ 9,127	\$	\$ 1,791	\$ 8	\$ 2,126	\$ 59,368
Provision for unfunded loan commitments and letters of credit	(1,566)	(1,597)		186		536	(2,441)
AULC balance, end of period	\$ 44,750	\$ 7,530	\$	\$ 1,977	\$ 8	\$ 2,662	\$ 56,927
ACL balance, end of period	\$ 323,262	\$ 144,876	\$ 27,158	\$ 107,920	\$ 47,199	\$ 41,613	\$ 692,028

Table of Contents**Six-month period ended June 30, 2014:**

ALLL balance, beginning of period	\$ 265,801	\$ 162,557	\$ 31,053	\$ 111,131	\$ 39,577	\$ 37,751	\$ 647,870
Loan charge-offs	(39,582)	(13,108)	(14,676)	(34,260)	(15,048)	(15,164)	(131,838)
Recoveries of loans previously charged-off	20,379	16,286	7,108	10,082	3,783	2,571	60,209
Provision for loan and lease losses	31,914	(28,389)	3,673	18,990	18,879	14,920	59,987
Allowance for loans sold or transferred to loans held for sale						(1,127)	(1,127)
ALLL balance, end of period	\$ 278,512	\$ 137,346	\$ 27,158	\$ 105,943	\$ 47,191	\$ 38,951	\$ 635,101
AULC balance, beginning of period	\$ 49,596	\$ 9,891	\$	\$ 1,763	\$ 9	\$ 1,640	\$ 62,899
Provision for unfunded loan commitments and letters of credit	(4,846)	(2,361)		214	(1)	1,022	(5,972)
AULC balance, end of period	\$ 44,750	\$ 7,530	\$	\$ 1,977	\$ 8	\$ 2,662	\$ 56,927
ACL balance, end of period	\$ 323,262	\$ 144,876	\$ 27,158	\$ 107,920	\$ 47,199	\$ 41,613	\$ 692,028

<i>(dollar amounts in thousands)</i>	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
Three-month period ended June 30, 2013:							
ALLL balance, beginning of period	\$ 238,098	\$ 267,436	\$ 35,973	\$ 115,858	\$ 63,062	\$ 26,342	\$ 746,769
Loan charge-offs	(8,981)	(14,194)	(5,219)	(17,766)	(9,692)	(7,386)	(63,238)
Recoveries of loans previously charged-off	7,395	11,810	3,756	3,112	1,072	1,303	28,448
Provision for loan and lease losses	(2,833)	(9,203)	5,480	14,422	9,617	3,871	21,354
Allowance for loans sold or transferred to loans held for sale					(257)		(257)
ALLL balance, end of period	\$ 233,679	\$ 255,849	\$ 39,990	\$ 115,626	\$ 63,802	\$ 24,130	\$ 733,076
AULC balance, beginning of period	\$ 33,835	\$ 4,404	\$	\$ 1,912	\$ 6	\$ 698	\$ 40,855
Provision for unfunded loan commitments and letters of credit	3,636	4		(224)		(48)	3,368
AULC balance, end of period	\$ 37,471	\$ 4,408	\$	\$ 1,688	\$ 6	\$ 650	\$ 44,223
ACL balance, end of period	\$ 271,150	\$ 260,257	\$ 39,990	\$ 117,314	\$ 63,808	\$ 24,780	\$ 777,299

Table of Contents**Six-month period ended June 30, 2013:**

ALLL balance, beginning of period	\$ 241,051	\$ 285,369	\$ 34,979	\$ 118,764	\$ 61,658	\$ 27,254	\$ 769,075
Loan charge-offs	(21,994)	(36,561)	(10,907)	(44,298)	(17,593)	(16,027)	(147,380)
Recoveries of loans previously charged-off	17,091	21,400	6,850	9,661	2,825	3,076	60,903
Provision for loan and lease losses	(2,469)	(14,359)	9,068	31,499	17,176	9,827	50,742
Allowance for loans sold or transferred to loans held for sale					(264)		(264)
ALLL balance, end of period	\$ 233,679	\$ 255,849	\$ 39,990	\$ 115,626	\$ 63,802	\$ 24,130	\$ 733,076
AULC balance, beginning of period	\$ 33,868	\$ 4,740	\$	\$ 1,356	\$ 3	\$ 684	\$ 40,651
Provision for unfunded loan commitments and letters of credit	3,603	(332)		332	3	(34)	3,572
AULC balance, end of period	\$ 37,471	\$ 4,408	\$	\$ 1,688	\$ 6	\$ 650	\$ 44,223
ACL balance, end of period	\$ 271,150	\$ 260,257	\$ 39,990	\$ 117,314	\$ 63,808	\$ 24,780	\$ 777,299

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

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

Credit Quality Indicators

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

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

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

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

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

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

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

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

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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 current portfolio distribution shows improvement in the risk categories across all segments compared to December 31, 2013.

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The following table presents each loan and lease class by credit quality indicator at June 30, 2014 and December 31, 2013:

<i>(dollar amounts in thousands)</i>	June 30, 2014				
	Pass	Credit Risk Profile by UCS classification			Total
		OLEM	Substandard	Doubtful	
Commercial and industrial:					
Owner occupied	\$ 4,001,530	\$ 105,226	\$ 158,574	\$ 5,983	\$ 4,271,313
Purchased credit-impaired	4,307	672	26,167	4,231	35,377
Other commercial and industrial	13,941,853	222,642	414,020	14,253	14,592,768
Total commercial and industrial	\$ 17,947,690	\$ 328,540	\$ 598,761	\$ 24,467	\$ 18,899,458
Commercial real estate:					
Retail properties	\$ 1,308,627	\$ 9,349	\$ 57,460	\$ 810	\$ 1,376,246
Multi family	998,890	14,482	42,955	400	1,056,727
Office	834,505	25,288	83,871	2,001	945,665
Industrial and warehouse	486,423	2,362	25,918		514,703
Purchased credit-impaired	7,144	100	48,989	1,062	57,295
Other commercial real estate	962,005	9,271	67,615	790	1,039,681
Total commercial real estate	\$ 4,597,594	\$ 60,852	\$ 326,808	\$ 5,063	\$ 4,990,317
	Credit Risk Profile by FICO score (1)				Total
	750+	650-749	<650	Other (2)	
Automobile	\$ 3,633,353	\$ 2,888,327	\$ 943,156	\$ 220,889	\$ 7,685,725
Home equity:					
Secured by first-lien	\$ 3,108,652	\$ 1,352,840	\$ 275,292	\$ 215,878	\$ 4,952,662
Secured by junior-lien	1,821,778	1,123,018	376,909	130,711	3,452,416
Total home equity	\$ 4,930,430	\$ 2,475,858	\$ 652,201	\$ 346,589	\$ 8,405,078
Residential mortgage:					
Residential mortgage	\$ 3,191,048	\$ 1,755,629	\$ 649,868	\$ 108,520	\$ 5,705,065
Purchased credit-impaired	591	1,168	600		2,359
Total residential mortgage	\$ 3,191,639	\$ 1,756,797	\$ 650,468	\$ 108,520	\$ 5,707,424
Other consumer:					
Other consumer	\$ 172,405	\$ 166,257	\$ 42,440	\$ 10,618	\$ 391,720
Purchased credit-impaired		53			53
Total other consumer	\$ 172,405	\$ 166,310	\$ 42,440	\$ 10,618	\$ 391,773
	December 31, 2013				
<i>(dollar amounts in thousands)</i>	Pass	Credit Risk Profile by UCS classification			Total
		OLEM	Substandard	Doubtful	
Commercial and industrial:					
Owner occupied	\$ 4,052,579	\$ 130,645	\$ 155,994	\$ 8,654	\$ 4,347,872
Purchased credit-impaired	5,015	661	27,693	2,157	35,526
Other commercial and industrial	12,630,512	211,860	364,343	4,163	13,210,878
Total commercial and industrial	\$ 16,688,106	\$ 343,166	\$ 548,030	\$ 14,974	\$ 17,594,276
Commercial real estate:					
Retail properties	\$ 1,153,747	\$ 16,003	\$ 93,819	\$	\$ 1,263,569
Multi family	972,526	16,540	36,411	114	1,025,591
Office	847,411	4,866	87,722	2,294	942,293
Industrial and warehouse	431,057	14,138	27,698		472,893
Purchased credit-impaired	13,127	3,586	62,577	2,783	82,073

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Other commercial real estate	977,987	16,270	68,653	765	1,063,675
Total commercial real estate	\$ 4,395,855	\$ 71,403	\$ 376,880	\$ 5,956	\$ 4,850,094

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	Credit Risk Profile by FICO score (1)				Total
	750+	650-749	<650	Other (2)	
Automobile	\$ 2,987,323	\$ 2,517,756	\$ 945,604	\$ 188,030	\$ 6,638,713
Home equity:					
Secured by first-lien	\$ 3,018,784	\$ 1,412,445	\$ 299,681	\$ 111,234	\$ 4,842,144
Secured by junior-lien	1,811,102	1,213,024	413,695	56,353	3,494,174
Total home equity	\$ 4,829,886	\$ 2,625,469	\$ 713,376	\$ 167,587	\$ 8,336,318
Residential mortgage					
Residential mortgage	\$ 2,837,590	\$ 1,710,183	\$ 699,541	\$ 71,276	\$ 5,318,590
Purchased credit-impaired	588	989	921		2,498
Total residential mortgage	\$ 2,838,178	\$ 1,711,172	\$ 700,462	\$ 71,276	\$ 5,321,088
Other consumer					
Other consumer	\$ 161,858	\$ 157,675	\$ 45,370	\$ 14,979	\$ 379,882
Purchased credit-impaired		60	69		129
Total other consumer	\$ 161,858	\$ 157,735	\$ 45,439	\$ 14,979	\$ 380,011

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

Impaired Loans

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

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

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

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

The following tables present the balance of the ALLL attributable to loans by portfolio segment individually and collectively evaluated for impairment and the related loan and lease balance at June 30, 2014 and December 31, 2013:

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	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
<i>(dollar amounts in thousands)</i>							
ALLL at June 30, 2014:							
Portion of ALLL balance:							
Attributable to purchased credit-impaired loans	\$ 2,858	\$	\$	\$	\$ 213	\$ 10	\$ 3,081
Attributable to loans individually evaluated for impairment	15,902	27,524	1,017	22,680	21,338	125	88,586
Attributable to loans collectively evaluated for impairment	259,752	109,822	26,141	83,263	25,640	38,816	543,434
Total ALLL balance	\$ 278,512	\$ 137,346	\$ 27,158	\$ 105,943	\$ 47,191	\$ 38,951	\$ 635,101

Loan and Lease Ending Balances at June 30, 2014:

Portion of loan and lease ending balance:							
Attributable to purchased credit-impaired loans	\$ 35,377	\$ 57,295	\$	\$	\$ 2,359	\$ 53	\$ 95,084
Individually evaluated for impairment	157,727	269,301	36,120	269,539	405,402	3,616	1,141,705
Collectively evaluated for impairment	18,706,354	4,663,721	7,649,605	8,135,539	5,299,663	388,104	44,842,986
Total loans and leases evaluated for impairment	\$ 18,899,458	\$ 4,990,317	\$ 7,685,725	\$ 8,405,078	\$ 5,707,424	\$ 391,773	\$ 46,079,775

	Commercial and Industrial	Commercial Real Estate	Automobile	Home Equity	Residential Mortgage	Other Consumer	Total
<i>(dollar amounts in thousands)</i>							
ALLL at December 31, 2013							
Portion of ALLL balance:							
Attributable to purchased credit-impaired loans	\$ 2,404	\$	\$	\$	\$ 36	\$	\$ 2,440
Attributable to loans individually evaluated for impairment	6,129	34,935	682	8,003	10,555	136	60,440
Attributable to loans collectively evaluated for impairment	257,268	127,622	30,371	103,128	28,986	37,615	584,990
Total ALLL balance:	\$ 265,801	\$ 162,557	\$ 31,053	\$ 111,131	\$ 39,577	\$ 37,751	\$ 647,870

Loan and Lease Ending Balances at December 31, 2013

Portion of loan and lease ending balances:							
Attributable to purchased credit-impaired loans	\$ 35,526	\$ 82,073	\$	\$	\$ 2,498	\$ 129	\$ 120,226
Individually evaluated for impairment	108,316	268,362	37,084	208,981	387,937	1,041	1,011,721
Collectively evaluated for impairment	17,450,434	4,499,659	6,601,629	8,127,337	4,930,653	378,841	41,988,553
Total loans and leases evaluated for impairment	\$ 17,594,276	\$ 4,850,094	\$ 6,638,713	\$ 8,336,318	\$ 5,321,088	\$ 380,011	\$ 43,120,500

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

	June 30, 2014			Three Months Ended June 30, 2014		Six Months Ended June 30, 2014	
	Ending Balance	Unpaid Principal Balance (5)	Related Allowance	Average Balance	Interest Income Recognized	Average Balance	Interest Income Recognized
<i>(dollar amounts in thousands)</i>							
<i>With no related allowance recorded:</i>							
Commercial and industrial:							
Owner occupied	\$ 3,012	\$ 3,012	\$	\$ 3,680	\$ 35	\$ 4,293	\$ 84
Purchased credit-impaired							
Other commercial and industrial	8,739	17,408		7,558	89	7,584	186
Total commercial and industrial	\$ 11,751	\$ 20,420	\$	\$ 11,238	\$ 124	\$ 11,877	\$ 270
Commercial real estate:							
Retail properties	\$ 51,004	\$ 52,562	\$	\$ 55,039	\$ 632	\$ 54,665	\$ 1,237
Multi family							
Office	4,861	8,499		2,394	40	4,400	229
Industrial and warehouse	4,628	4,687		5,114	68	7,100	176
Purchased credit-impaired	57,295	123,030		67,008	5,315	72,030	7,733
Other commercial real estate	9,280	9,761		6,849	79	6,338	136
Total commercial real estate	\$ 127,068	\$ 198,539	\$	\$ 136,404	\$ 6,134	\$ 144,533	\$ 9,511
Automobile							
Home equity:							
Secured by first-lien	\$	\$	\$	\$	\$	\$	\$
Secured by junior-lien							
Total home equity	\$	\$	\$	\$	\$	\$	\$
Residential mortgage:							
Residential mortgage	\$	\$	\$	\$	\$	\$	\$
Purchased credit-impaired							
Total residential mortgage	\$	\$	\$	\$	\$	\$	\$
Other consumer							
Other consumer	\$	\$	\$	\$	\$	\$	\$
Purchased credit-impaired							
Total other consumer	\$	\$	\$	\$	\$	\$	\$
<i>With an allowance recorded:</i>							
Commercial and industrial: (3)							
Owner occupied	\$ 40,746	\$ 44,604	\$ 3,092	\$ 40,748	\$ 390	\$ 39,796	\$ 789
Purchased credit-impaired	35,377	51,621	2,858	35,887	3,282	35,767	4,775
Other commercial and industrial	105,230	123,442	12,810	78,200	688	64,840	1,279
Total commercial and industrial	\$ 181,353	\$ 219,667	\$ 18,760	\$ 154,835	\$ 4,360	\$ 140,403	\$ 6,843
Commercial real estate: (4)							
Retail properties	\$ 68,573	\$ 96,764	\$ 5,423	\$ 64,092	\$ 487	\$ 66,349	\$ 1,064
Multi family	16,903	22,390	2,462	17,024	164	15,827	315
Office	52,647	55,030	8,622	54,025	610	52,723	1,146
Industrial and warehouse	8,015	8,958	693	8,658	61	8,897	109
Purchased credit-impaired							
Other commercial real estate	53,390	63,443	10,324	50,778	541	47,501	1,015

Total commercial real estate	\$ 199,528	\$ 246,585	\$ 27,524	\$ 194,577	\$ 1,863	\$ 191,297	\$ 3,649
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Automobile	\$ 36,120	\$ 36,366	\$ 1,017	\$ 34,594	\$ 719	\$ 35,424	\$ 1,402
Home equity:							
Secured by first-lien	\$ 130,081	\$ 136,330	\$ 7,453	\$ 122,449	\$ 1,371	\$ 118,307	\$ 2,610
Secured by junior-lien	139,458	178,767	15,227	123,839	1,547	115,545	2,861
Total home equity	\$ 269,539	\$ 315,097	\$ 22,680	\$ 246,288	\$ 2,918	\$ 233,852	\$ 5,471
Residential mortgage (6):							
Residential mortgage	\$ 405,402	\$ 454,662	\$ 21,338	\$ 387,019	\$ 2,984	\$ 387,325	\$ 5,848
Purchased credit-impaired	2,359	3,242	213	2,308	219	2,371	318
Total residential mortgage	\$ 407,761	\$ 457,904	\$ 21,551	\$ 389,327	\$ 3,203	\$ 389,696	\$ 6,166
Other consumer:							
Other consumer	\$ 3,616	\$ 3,651	\$ 125	\$ 2,731	\$ 60	\$ 2,168	\$ 93
Purchased credit-impaired	53	133	10	90	5	103	7
Total other consumer	\$ 3,669	\$ 3,784	\$ 135	\$ 2,821	\$ 65	\$ 2,271	\$ 100

	December 31, 2013			Three Months Ended June 30, 2013		Six Months Ended June 30, 2013	
	Ending Balance	Unpaid Principal Balance (5)	Related Allowance	Average Balance	Interest Income Recognized	Average Balance	Interest Income Recognized
<i>(dollar amounts in thousands)</i>							
<i>With no related allowance recorded:</i>							
Commercial and industrial:							
Owner occupied	\$ 5,332	\$ 5,373	\$	\$ 4,668	\$ 42	\$ 4,204	\$ 84
Purchased credit-impaired							
Other commercial and industrial	11,884	15,031		6,603	71	11,456	306
Total commercial and industrial	\$ 17,216	\$ 20,404	\$	\$ 11,271	\$ 113	\$ 15,660	\$ 390
Commercial real estate:							
Retail properties	\$ 55,773	\$ 64,780	\$	\$ 48,806	\$ 606	\$ 51,522	\$ 1,310
Multi family				4,662	70	5,152	158
Office	9,069	13,721		12,473	311	15,161	531
Industrial and warehouse	9,682	10,803		10,625	152	12,560	349
Purchased credit-impaired	82,073	154,869		112,163	2,531	117,083	4,753
Other commercial real estate	6,002	6,924		9,250	127	9,764	224
Total commercial real estate	\$ 162,599	\$ 251,097	\$	\$ 197,979	\$ 3,797	\$ 211,242	\$ 7,325
Home equity:							
Secured by first-lien	\$	\$	\$	\$	\$	\$	\$
Secured by junior-lien							
Total home equity	\$	\$	\$	\$	\$	\$	\$
Residential mortgage:							
Residential mortgage	\$	\$	\$	\$	\$	\$	\$
Purchased credit-impaired							
Total residential mortgage	\$	\$	\$	\$	\$	\$	\$
Other consumer							
Other consumer	\$	\$	\$	\$	\$	\$	\$
Purchased credit-impaired	129	219		144	3	143	6
Total other consumer	\$ 129	\$ 219	\$	\$ 144	\$ 3	\$ 143	\$ 6
<i>With an allowance recorded:</i>							
Commercial and industrial: (3)							
Owner occupied	\$ 40,271	\$ 52,810	\$ 3,421	\$ 42,193	\$ 340	\$ 43,158	\$ 691
Purchased credit-impaired	35,526	50,798	2,404	51,784	1,198	52,682	2,249

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Other commercial and industrial	50,829	64,497	2,708	73,533	966	62,427	1,624
Total commercial and industrial	\$ 126,626	\$ 168,105	\$ 8,533	\$ 167,510	\$ 2,504	\$ 158,267	\$ 4,564

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Commercial real estate: (4)							
Retail properties	\$ 72,339	\$ 93,395	\$ 5,984	\$ 53,584	\$ 399	\$ 54,780	\$ 855
Multi family	13,484	15,408	1,944	15,058	154	15,961	331
Office	50,307	54,921	9,927	48,321	417	45,158	801
Industrial and warehouse	9,162	10,561	808	19,138	183	19,624	368
Purchased credit-impaired							
Other commercial real estate	42,544	50,960	16,272	34,941	439	39,967	818
Total commercial real estate	\$ 187,836	\$ 225,245	\$ 34,935	\$ 171,042	\$ 1,592	\$ 175,490	\$ 3,173
Automobile	\$ 37,084	\$ 38,758	\$ 682	\$ 40,830	\$ 866	\$ 41,756	\$ 1,303
Home equity:							
Secured by first-lien	\$ 110,024	\$ 116,846	\$ 2,396	\$ 99,684	\$ 950	\$ 91,875	\$ 1,892
Secured by junior-lien	98,957	143,967	5,607	59,971	721	53,739	1,313
Total home equity	\$ 208,981	\$ 260,813	\$ 8,003	\$ 159,655	\$ 1,671	\$ 145,614	\$ 3,205
Residential mortgage (6):							
Residential mortgage	\$ 387,937	\$ 427,924	\$ 10,555	\$ 373,426	\$ 2,870	\$ 373,793	\$ 5,742
Purchased credit-impaired	2,498	3,681	36	2,200	49	2,214	92
Total residential mortgage	\$ 390,435	\$ 431,605	\$ 10,591	\$ 375,626	\$ 2,919	\$ 376,007	\$ 5,834
Other consumer:							
Other consumer	\$ 1,041	\$ 1,041	\$ 136	\$ 2,948	\$ 32	\$ 2,851	\$ 55
Purchased credit-impaired							
Total other consumer	\$ 1,041	\$ 1,041	\$ 136	\$ 2,948	\$ 32	\$ 2,851	\$ 55

- (1) These tables do not include loans fully charged-off.
- (2) All automobile, home equity, residential mortgage, and other consumer impaired loans included in these tables are considered impaired due to their status as a TDR.
- (3) At June 30, 2014, \$49,999 thousand of the \$181,353 thousand commercial and industrial loans with an allowance recorded were considered impaired due to their status as a TDR. At December 31, 2013, \$43,805 thousand of the \$126,626 thousand commercial and industrial loans with an allowance recorded were considered impaired due to their status as a TDR.
- (4) At June 30, 2014, \$27,691 thousand of the \$199,528 thousand commercial real estate loans with an allowance recorded were considered impaired due to their status as a TDR. At December 31, 2013, \$24,805 thousand of the \$187,836 thousand commercial real estate loans with an allowance recorded were considered impaired due to their status as a TDR.
- (5) The differences between the ending balance and unpaid principal balance amounts represent partial charge-offs.
- (6) At June 30, 2014, \$28,188 thousand of the \$407,761 thousand residential mortgages loans with an allowance recorded were guaranteed by the U.S. government. At December 31, 2013, \$49,225 thousand of the \$390,435 thousand residential mortgage loans with an allowance recorded were guaranteed by the U.S. government.

TDR Loans

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

TDR Concession Types

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

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Interest rate reduction: A reduction of the stated interest rate to a nonmarket rate for the remaining original life of the debt.

Amortization or maturity date change beyond what the collateral supports, including any of the following:

- (1) Lengthens the amortization period of the amortized principal beyond market terms. This concession reduces the minimum monthly payment and increases the amount of the balloon payment at the end of the term of the loan. Principal is generally not forgiven.
- (2) Reduces the amount of loan principal to be amortized and increases the amount of the balloon payment at the end of the term of the loan. This concession also reduces the minimum monthly payment. Principal is generally not forgiven.
- (3) Extends the maturity date or dates of the debt beyond what the collateral supports. This concession generally applies to loans without a balloon payment at the end of the term of the loan.

Chapter 7 bankruptcy: A bankruptcy court's discharge of a borrower's debt is considered a concession when the borrower does not reaffirm the discharged debt.

Other: A concession that is not categorized as one of the concessions described above. These concessions include, but are not limited to: principal forgiveness, collateral concessions, covenant concessions, and reduction of accrued interest.

Principal forgiveness may result from any TDR modification of any concession type. However, the aggregate amount of principal forgiven as a result of loans modified as TDRs during the three-month and six-month periods ended June 30, 2014 and 2013, was not significant.

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

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

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

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

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

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

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TDR Impact on Credit Quality

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

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

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

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

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

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

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

The following tables present by class and by the reason for the modification, the number of contracts, post-modification outstanding balance, and the financial effects of the modification for the three-month and six-month periods ended June 30, 2014 and 2013:

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<i>(dollar amounts in thousands)</i>	New Troubled Debt Restructurings During The Three-Month Period Ended ⁽¹⁾					
	June 30, 2014			June 30, 2013		
	Number of Contracts	Post-modification Outstanding Ending Balance	Financial effects of modification ⁽²⁾	Number of Contracts	Post-modification Outstanding Ending Balance	Financial effects of modification ⁽²⁾
C&I Owner occupied:						
Interest rate reduction	9	\$ 857	\$ 21	5	\$ 607	\$ (7)
Amortization or maturity date change	19	3,728	(66)	22	4,161	13
Other	2	976	(34)	3	751	90
Total C&I Owner occupied	30	\$ 5,561	\$ (79)	30	\$ 5,519	\$ 96
C&I Other commercial and industrial:						
Interest rate reduction	9	\$ 17,487	\$ (1,774)	7	\$ 25,187	\$ 446
Amortization or maturity date change	55	20,780	(579)	31	15,573	690
Other	6	2,304	(92)	7	1,961	
Total C&I Other commercial and industrial	70	\$ 40,571	\$ (2,445)	45	\$ 42,721	\$ 1,136
CRE Retail properties:						
Interest rate reduction		\$	\$	2	\$ 738	\$ (3)
Amortization or maturity date change	5	9,911	(233)	2	404	(1)
Other	3	3,868	56	3	5,894	1,201
Total CRE Retail properties	8	\$ 13,779	\$ (177)	7	\$ 7,036	\$ 1,197
CRE Multi family:						
Interest rate reduction	1	\$ 95	\$	3	\$ 487	\$ (1)
Amortization or maturity date change	7	177	(2)	6	493	8
Other	2	3,976	62	1	3,927	26
Total CRE Multi family	10	\$ 4,248	\$ 60	10	\$ 4,907	\$ 33
CRE Office:						
Interest rate reduction		\$	\$	4	\$ 6,080	\$ 1,656
Amortization or maturity date change	6	6,084	(360)	2	479	11
Other	3	14,127	(3,482)	2	282	
Total CRE Office	9	\$ 20,211	\$ (3,842)	8	\$ 6,841	\$ 1,667
CRE Industrial and warehouse:						
Interest rate reduction		\$	\$		\$	\$
Amortization or maturity date change	2	2,384	216	2	452	(4)
Total CRE Industrial and Warehouse	2	\$ 2,384	\$ 216	2	\$ 452	\$ (4)
CRE Other commercial real estate:						
Interest rate reduction	1	\$ 715	\$ 44	2	\$ 847	\$ 53
Amortization or maturity date change	23	26,469	(2,900)	4	700	2
Other				1	352	(1)
Total CRE Other commercial real estate	24	\$ 27,184	\$ (2,856)	7	\$ 1,899	\$ 54

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Automobile:						
Interest rate reduction	47	\$ 426	\$ 8	4	\$ 31	\$
Amortization or maturity date change	963	5,878	35	360	1,986	(14)
Chapter 7 bankruptcy	138	1,010	(15)	464	2,649	241
Total Automobile	1,148	\$ 7,314	\$ 28	828	\$ 4,666	\$ 227
Residential mortgage:						
Interest rate reduction	7	\$ 1,445	\$ (42)	26	\$ 2,056	\$ 7
Amortization or maturity date change	149	23,284	452	123	15,347	44
Chapter 7 bankruptcy	32	3,484	93	21	1,751	310
Other	2	194	5	6	577	14
Total Residential mortgage	190	\$ 28,407	\$ 508	176	\$ 19,731	\$ 375
First-lien home equity:						
Interest rate reduction	45	\$ 4,158	\$ 413	43	\$ 3,652	\$ 279
Amortization or maturity date change	95	8,574	95	48	3,550	(193)
Chapter 7 bankruptcy	22	1,032	97	16	987	37
Total First-lien home equity	162	\$ 13,764	\$ 605	107	\$ 8,189	\$ 123
Junior-lien home equity:						
Interest rate reduction	81	\$ 2,955	\$ 220	11	\$ 599	\$ 105
Amortization or maturity date change	392	15,425	(1,740)	313	12,488	(1,175)
Chapter 7 bankruptcy	44	688	902	55	568	1,349
Total Junior-lien home equity	517	\$ 19,068	\$ (618)	379	\$ 13,655	\$ 279
Other consumer:						
Interest rate reduction		\$	\$	2	\$ 195	\$ 41
Amortization or maturity date change	26	1,115	(22)	1	1	
Chapter 7 bankruptcy	16	418	(50)	3	143	40
Total Other consumer	42	\$ 1,533	\$ (72)	6	\$ 339	\$ 81
Total new troubled debt restructurings	2,212	\$ 184,024	\$ (8,672)	1,605	\$ 115,955	\$ 5,264

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

	New Troubled Debt Restructurings During The Six-Month Period Ended⁽¹⁾					
	June 30, 2014			June 30, 2013		
	Number of Contracts	Post-modification Outstanding Ending Balance	Financial effects of modification ⁽²⁾	Number of Contracts	Post-modification Outstanding Ending Balance	Financial effects of modification ⁽²⁾
<i>(dollar amounts in thousands)</i>						
C&I Owner occupied:						
Interest rate reduction	15	\$ 1,781	\$ 21	14	\$ 5,275	\$ (472)
Amortization or maturity date change	37	8,337	(62)	33	9,014	(12)
Other	4	1,816	(35)	8	2,424	89
Total C&I Owner occupied	56	\$ 11,934	\$ (76)	55	\$ 16,713	\$ (395)
C&I Other commercial and industrial:						
Interest rate reduction	19	\$ 45,481	\$ (1,921)	12	\$ 42,756	\$ 447
Amortization or maturity date change	109	53,380	358	66	37,633	3,395
Other	10	6,670	(68)	14	7,000	211
Total C&I Other commercial and industrial	138	\$ 105,531	\$ (1,631)	92	\$ 87,389	\$ 4,053

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CRE Retail properties:						
Interest rate reduction	3	\$ 11,105	\$ 421	2	\$ 738	\$ (3)
Amortization or maturity date change	10	22,149	(181)	6	903	(2)
Other	9	13,765	(35)	5	9,723	1,182
Total CRE Retail properties	22	\$ 47,019	\$ 205	13	\$ 11,364	\$ 1,177
CRE Multi family:						
Interest rate reduction	11	\$ 740	\$	6	\$ 2,651	\$ 10
Amortization or maturity date change	11	380	(2)	8	1,235	7
Other	4	4,299	62	2	7,883	(7)
Total CRE Multi family	26	\$ 5,419	\$ 60	16	\$ 11,769	\$ 10
CRE Office:						
Interest rate reduction	2	\$ 120	\$ (1)	4	\$ 6,080	\$ 1,656
Amortization or maturity date change	10	9,216	(360)	7	4,343	23
Other	4	24,911	(3,482)	2	282	
Total CRE Office	16	\$ 34,247	\$ (3,843)	13	\$ 10,705	\$ 1,679
CRE Industrial and warehouse:						
Interest rate reduction	2	\$ 4,046	\$		\$	\$
Amortization or maturity date change	5	3,557	212	5	1,093	(3)
Other	1	977		1	5,867	
Total CRE Industrial and Warehouse	8	\$ 8,580	\$ 212	6	\$ 6,960	\$ (3)
CRE Other commercial real estate:						
Interest rate reduction	5	\$ 5,019	\$ 51	9	\$ 1,490	\$ 52
Amortization or maturity date change	44	73,005	(2,775)	4	700	2
Other	2	928	(1)	1	352	(1)
Total CRE Other commercial real estate	51	\$ 78,952	\$ (2,725)	14	\$ 2,542	\$ 53
Automobile:						
Interest rate reduction	48	\$ 428	\$ 8	8	\$ 73	\$
Amortization or maturity date change	1,169	7,227	27	688	3,911	(34)
Chapter 7 bankruptcy	318	2,371	(41)	713	4,288	377
Other						
Total Automobile	1,535	\$ 10,026	\$ (6)	1,409	\$ 8,272	\$ 343
Residential mortgage:						
Interest rate reduction	15	\$ 2,233	\$ (24)	32	\$ 8,473	\$ (36)
Amortization or maturity date change	217	31,302	555	177	23,011	69
Chapter 7 bankruptcy	117	12,491	375	65	6,590	443
Other	3	299	5	12	1,285	30
Total Residential mortgage	352	\$ 46,325	\$ 911	286	\$ 39,359	\$ 506

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First-lien home equity:						
Interest rate reduction	95	\$ 7,966	\$ 604	59	\$ 5,314	\$ 421
Amortization or maturity date change	135	11,164	(331)	77	5,550	(569)
Chapter 7 bankruptcy	43	2,422	100	58	3,454	614
Other						
Total First-lien home equity	273	\$ 21,552	\$ 373	194	\$ 14,318	\$ 466
Junior-lien home equity:						
Interest rate reduction	168	\$ 5,822	\$ 170	16	\$ 749	\$ 125
Amortization or maturity date change	633	25,085	(3,592)	540	21,371	(2,367)
Chapter 7 bankruptcy	103	1,613	1,438	180	2,257	3,119
Other						
Total Junior-lien home equity	904	\$ 32,520	\$ (1,984)	736	\$ 24,377	\$ 877
Other consumer:						
Interest rate reduction		\$	\$	3	\$ 219	\$ 42
Amortization or maturity date change	30	1,135	(22)	5	64	2
Chapter 7 bankruptcy	19	441	(51)	17	280	56
Other						
Total Other consumer	49	\$ 1,576	\$ (73)	25	\$ 563	\$ 100
Total new troubled debt restructurings	3,430	\$ 403,681	\$ (8,577)	2,859	\$ 234,331	\$ 8,866

(1) TDRs may include multiple concessions and the disclosure classifications are based on the primary concession provided to the borrower.

(2) Amount represents the financial impact via provision for loan and lease losses as a result of the modification.

Any loan within any portfolio or class is considered as payment redefaulted at 90-days past due.

The following tables present TDRs that have defaulted within one year of modification during the three-month and six-month periods ended June 30, 2014 and 2013:

	Troubled Debt Restructurings That Have Redefaulted ⁽¹⁾			
	Within One Year Of Modification During The Three Months Ended		June 30, 2013	
	Number of	Ending	Number of	Ending
	Contracts	Balance	Contracts	Balance
<i>(dollar amounts in thousands)</i>				
C&I Owner occupied:				
Interest rate reduction		\$		\$
Amortization or maturity date change	2	400	1	
Other			4	736
Total C&I Owner occupied	2	\$ 400	5	\$ 736
C&I Other commercial and industrial:				
Interest rate reduction		\$		\$
Amortization or maturity date change	3	720	3	116
Other				
Total C&I Other commercial and industrial	3	\$ 720	3	\$ 116
CRE Retail Properties:				
Interest rate reduction		\$		\$
Amortization or maturity date change				
Other				
Total CRE Retail properties		\$		\$

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CRE Multi family:				
Interest rate reduction		\$		\$
Amortization or maturity date change	1	212		
Other				
Total CRE Multi family	1	\$ 212		\$
CRE Office:				
Interest rate reduction		\$		\$
Amortization or maturity date change	1	493	2	1,131
Other				
Total CRE Office	1	\$ 493	2	\$ 1,131
CRE Industrial and Warehouse:				
Interest rate reduction		\$		\$
Amortization or maturity date change				
Other				
Total CRE Industrial and Warehouse		\$		\$
CRE Other commercial real estate:				
Interest rate reduction		\$		\$
Amortization or maturity date change			1	49
Other			1	5
Total CRE Other commercial real estate		\$	2	\$ 54
Automobile:				
Interest rate reduction		\$	1	\$ 19
Amortization or maturity date change	7	78	7	90
Chapter 7 bankruptcy	24	161	31	146
Other				
Total Automobile	31	\$ 239	39	\$ 255
Residential mortgage:				
Interest rate reduction	1	\$ 220		\$
Amortization or maturity date change	15	1,596	15	2,629
Chapter 7 bankruptcy	8	433	19	1,304
Other			1	317
Total Residential mortgage	24	\$ 2,249	35	\$ 4,250
First-lien home equity:				
Interest rate reduction	1	\$ 50		\$
Amortization or maturity date change	4	315		
Chapter 7 bankruptcy	5	399	2	18
Other				
Total First-lien home equity	10	\$ 764	2	\$ 18
Junior-lien home equity:				
Interest rate reduction		\$		\$
Amortization or maturity date change	8	368	1	57
Chapter 7 bankruptcy	6	26	6	160
Other				
Total Junior-lien home equity	14	\$ 394	7	\$ 217
Other consumer:				
Interest rate reduction		\$		\$
Amortization or maturity date change				
Chapter 7 bankruptcy				

Other				
Total Other consumer		\$		\$
Total troubled debt restructurings with subsequent redefault	86	\$ 5,471	95	\$ 6,777

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

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	Troubled Debt Restructurings That Have Redefaulted⁽¹⁾			
	Within One Year of Modification During The Six Months Ended June 30, 2014		June 30, 2013	
	Number of Contracts	Ending Balance	Number of Contracts	Ending Balance
<i>(dollar amounts in thousands)</i>				
C&I Owner occupied:				
Interest rate reduction		\$		\$
Amortization or maturity date change	2	400	4	471
Other	1	230	7	1,203
Total C&I Owner occupied	3	\$ 630	11	\$ 1,674
C&I Other commercial and industrial:				
Interest rate reduction		\$		\$
Amortization or maturity date change	7	1,044	9	116
Other				
Total C&I Other commercial and industrial	7	\$ 1,044	9	\$ 116
CRE Retail Properties:				
Interest rate reduction		\$		\$
Amortization or maturity date change			3	835
Other				
Total CRE Retail properties		\$	3	\$ 835
CRE Multi family:				
Interest rate reduction		\$		\$
Amortization or maturity date change	1	212		
Other				
Total CRE Multi family	1	\$ 212		\$
CRE Office:				
Interest rate reduction		\$		\$
Amortization or maturity date change	1	493	2	1,131
Other				
Total CRE Office	1	\$ 493	2	\$ 1,131
CRE Industrial and Warehouse:				
Interest rate reduction		\$		\$
Amortization or maturity date change				
Other				
Total CRE Industrial and Warehouse		\$		\$
CRE Other commercial real estate:				
Interest rate reduction		\$		\$
Amortization or maturity date change	1	561	1	49
Other			1	5
Total CRE Other commercial real estate	1	\$ 561	2	\$ 54

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Automobile:				
Interest rate reduction		\$	1	\$ 19
Amortization or maturity date change	26	182	20	187
Chapter 7 bankruptcy	37	231	98	461
Other				
Total Automobile	63	\$ 413	119	\$ 667
Residential mortgage:				
Interest rate reduction	3	\$ 350		\$
Amortization or maturity date change	44	5,054	37	5,387
Chapter 7 bankruptcy	23	1,945	36	3,168
Other			2	418
Total Residential mortgage	70	\$ 7,349	75	\$ 8,973
First-lien home equity:				
Interest rate reduction	2	\$ 163		\$
Amortization or maturity date change	8	930		
Chapter 7 bankruptcy	8	600	6	749
Other				
Total First-lien home equity	18	\$ 1,693	6	\$ 749
Junior-lien home equity:				
Interest rate reduction		\$		\$
Amortization or maturity date change	14	698	1	57
Chapter 7 bankruptcy	22	596	20	569
Other				
Total Junior-lien home equity	36	\$ 1,294	21	\$ 626
Other consumer:				
Interest rate reduction		\$		\$
Amortization or maturity date change				
Chapter 7 bankruptcy			1	2
Other				
Total Other consumer		\$	1	\$ 2
Total troubled debt restructurings with subsequent redefault	170	\$ 11,860	249	\$ 14,827

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

Pledged Loans and Leases

At June 30, 2014, the Bank has access to the Federal Reserve's discount window and advances from the FHLB Cincinnati. As of June 30, 2014, these borrowings and advances are secured by \$18.1 billion of loans and securities.

Table of Contents**4. AVAILABLE-FOR-SALE AND OTHER SECURITIES**

Listed below are the contractual maturities (under 1 year, 1-5 years, 6-10 years, and over 10 years) of available-for-sale and other securities at June 30, 2014 and December 31, 2013:

<i>(dollar amounts in thousands)</i>	June 30, 2014		December 31, 2013	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
U.S. Treasury:				
Under 1 year	\$ 50,112	\$ 50,191	\$ 50,793	\$ 51,086
1-5 years	506	518	507	516
6-10 years				
Over 10 years			1	2
Total U.S. Treasury	50,618	50,709	51,301	51,604
Federal agencies: mortgage-backed securities:				
Under 1 year	14,669	14,735	16,548	16,607
1-5 years	253,110	256,259	164,794	166,946
6-10 years	331,483	338,205	440,116	443,456
Over 10 years	4,106,656	4,138,667	2,940,986	2,939,212
Total Federal agencies: mortgage-backed securities	4,705,918	4,747,866	3,562,444	3,566,221
Other agencies:				
Under 1 year	33,624	34,040	2,833	2,880
1-5 years	9,727	10,253	291,726	297,510
6-10 years	33,613	33,801	19,318	19,498
Over 10 years	61,136	61,532		
Total other agencies	138,100	139,626	313,877	319,888
Total U.S. Government backed agencies	4,894,636	4,938,201	3,927,622	3,937,713
Municipal securities:				
Under 1 year	246,054	244,167	191,788	190,762
1-5 years	247,963	249,887	206,719	211,916
6-10 years	807,081	813,171	556,873	554,772
Over 10 years	386,146	386,196	184,883	188,542
Total municipal securities	1,687,244	1,693,421	1,140,263	1,145,992
Private-label CMO:				
Under 1 year				
1-5 years				
6-10 years	1,664	1,744	1,997	2,089
Over 10 years	45,785	44,055	49,241	47,015
Total private-label CMO	47,449	45,799	51,238	49,104
Asset-backed securities:				
Under 1 year	5,289	5,290		
1-5 years	324,832	327,084	434,825	438,156

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6-10 years	84,740	84,643	260,354	260,880
Over 10 years	628,313	562,981	477,105	392,004
Total asset-backed securities	1,043,174	979,998	1,172,284	1,091,040
Covered bonds:				
Under 1 year				
1-5 years			280,595	285,874
6-10 years				
Over 10 years				
Total covered bonds			280,595	285,874
Corporate debt:				
Under 1 year	501	506	903	916
1-5 years	295,820	307,892	283,079	292,989
6-10 years	173,895	172,067	161,398	152,608
Over 10 years			10,113	10,727
Total corporate debt	470,216	480,465	455,493	457,240
Other:				
Under 1 year	750	750	500	500
1-5 years	3,150	3,066	3,399	3,327
6-10 years				
Over 10 years				
Non-marketable equity securities	331,060	331,060	320,991	320,992
Marketable equity securities	17,452	18,277	16,522	16,971
Total other	352,412	353,153	341,412	341,790
Total available-for-sale and other securities	\$ 8,495,131	\$ 8,491,037	\$ 7,368,907	\$ 7,308,753

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Other securities at June 30, 2014 and December 31, 2013 include \$157.0 million and \$165.6 million of stock issued by the FHLB of Cincinnati, and \$174.0 million and \$155.4 million, respectively, of Federal Reserve Bank stock. Nonmarketable equity securities are recorded at amortized cost. Other securities also include marketable equity securities.

The following tables provide amortized cost, fair value, and gross unrealized gains and losses recognized in OCI by investment category at June 30, 2014 and December 31, 2013:

<i>(dollar amounts in thousands)</i>	Unrealized			Fair Value
	Amortized Cost	Gross Gains	Gross Losses	
June 30, 2014				
U.S. Treasury	\$ 50,618	\$ 91	\$	\$ 50,709
Federal agencies:				
Mortgage-backed securities	4,705,918	62,906	(20,958)	4,747,866
Other agencies	138,100	1,653	(127)	139,626
Total U.S. Government backed securities	4,894,636	64,650	(21,085)	4,938,201
Municipal securities (1)	1,687,244	27,978	(21,801)	1,693,421
Private-label CMO	47,449	1,238	(2,888)	45,799
Asset-backed securities	1,043,174	4,421	(67,597)	979,998
Covered bonds				
Corporate debt	470,216	12,953	(2,704)	480,465
Other securities	352,412	876	(135)	353,153
Total available-for-sale and other securities	\$ 8,495,131	\$ 112,116	\$ (116,210)	\$ 8,491,037

<i>(dollar amounts in thousands)</i>	Unrealized			Fair Value
	Amortized Cost	Gross Gains	Gross Losses	
December 31, 2013				
U.S. Treasury	\$ 51,301	\$ 303	\$	\$ 51,604
Federal agencies:				
Mortgage-backed securities	3,562,444	42,319	(38,542)	3,566,221
Other agencies	313,877	6,105	(94)	319,888
Total U.S. Government backed securities	3,927,622	48,727	(38,636)	3,937,713
Municipal securities (2)	1,140,263	18,825	(13,096)	1,145,992
Private-label CMO	51,238	1,188	(3,322)	49,104
Asset-backed securities	1,172,284	6,771	(88,015)	1,091,040
Covered bonds	280,595	5,279		285,874
Corporate debt	455,493	11,241	(9,494)	457,240
Other securities	341,412	511	(133)	341,790
Total available-for-sale and other securities	\$ 7,368,907	\$ 92,542	\$ (152,696)	\$ 7,308,753

(1) On May 20, 2014 approximately \$208.2 million of municipal equipment finance instruments were acquired.

(2) Effective December 31, 2013 approximately \$600.4 million of direct purchase municipal instruments were reclassified from C&I loans to available-for-sale securities.

At June 30, 2014, the carrying value of investment securities pledged to secure public and trust deposits, trading account liabilities, U.S. Treasury demand notes, and security repurchase agreements totaled \$3.4 billion. There were no securities of a single issuer, which are not governmental or government-sponsored, that exceeded 10% of shareholders' equity at June 30, 2014.

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The following tables provide detail on investment securities with unrealized losses aggregated by investment category and the length of time the individual securities have been in a continuous loss position, at June 30, 2014 and December 31, 2013:

<i>(dollar amounts in thousands)</i>	Less than 12 Months		Over 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
June 30, 2014						
Federal agencies:						
Mortgage-backed securities	724,180	(3,704)	470,997	(17,254)	1,195,177	(20,958)
Other agencies	33,657	(105)	1,287	(22)	34,944	(127)
Total U.S. Government backed securities	757,837	(3,809)	472,284	(17,276)	1,230,121	(21,085)
Municipal securities	579,519	(19,774)	171,530	(2,027)	751,049	(21,801)
Private-label CMO			22,969	(2,888)	22,969	(2,888)
Asset-backed securities	95,813	(296)	347,932	(67,301)	443,745	(67,597)
Corporate debt	10,618	(58)	114,664	(2,646)	125,282	(2,704)
Other securities	1,543	(51)	1,416	(84)	2,959	(135)
Total temporarily impaired securities	\$ 1,445,330	\$ (23,988)	\$ 1,130,795	\$ (92,222)	\$ 2,576,125	\$ (116,210)

<i>(dollar amounts in thousands)</i>	Less than 12 Months		Over 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2013						
U.S. Treasury	\$	\$	\$	\$	\$	\$
Federal agencies:						
Mortgage-backed securities	1,628,454	(37,174)	12,682	(1,368)	1,641,136	(38,542)
Other agencies	2,069	(94)			2,069	(94)
Total U.S. Government backed securities	1,630,523	(37,268)	12,682	(1,368)	1,643,205	(38,636)
Municipal securities	551,114	(12,395)	7,531	(701)	558,645	(13,096)
Private-label CMO			22,639	(3,322)	22,639	(3,322)
Asset-backed securities	391,665	(9,720)	107,419	(78,295)	499,084	(88,015)
Covered bonds						
Corporate debt	146,308	(7,729)	26,155	(1,765)	172,463	(9,494)
Other securities	3,078	(72)	2,530	(61)	5,608	(133)
Total temporarily impaired securities	\$ 2,722,688	\$ (67,184)	\$ 178,956	\$ (85,512)	\$ 2,901,644	\$ (152,696)

The following table is a summary of realized securities gains and losses for the three-month and six-month periods ended June 30, 2014 and 2013:

<i>(dollar amounts in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Gross gains on sales of securities	\$ 490	\$ 988	\$ 17,480	\$ 1,187
Gross (losses) on sales of securities		(378)	(20)	(390)
Net gain on sales of securities	\$ 490	\$ 610	\$ 17,460	\$ 797

Collateralized Debt Obligations and Private-Label CMO Securities

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Our highest risk segments of our investment portfolio are the CDO and 2003-2006 vintage private-label CMO portfolios. Of the \$45.8 million of the private-label CMO securities reported at fair value at June 30, 2014, approximately \$20.6 million are rated below investment grade. The CDOs are in the asset-backed securities portfolio. These segments are in run off, and we have not purchased these types of securities since 2008. The performance of the underlying securities in each of these segments reflects the deterioration of CDO issuers and 2003-2006 non-agency mortgages. Each of these securities in these two segments is subjected to a rigorous review of its projected cash flows. These reviews are supported with analysis from independent third parties.

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The fair values of the private label CMO and CDO assets have been impacted by various market conditions. The unrealized losses were primarily the result of wider liquidity spreads on asset-backed securities and increased market volatility on non-agency mortgage and asset-backed securities that are collateralized by certain mortgage loans. In addition, the expected average lives of the asset-backed securities backed by trust-preferred securities have been extended, due to changes in the expectations of when the underlying securities would be repaid. The contractual terms and / or cash flows of the investments do not permit the issuer to settle the securities at a price less than the amortized cost. Huntington does not intend to sell, nor does it believe it will be required to sell these securities until the fair value is recovered, which may be maturity and; therefore, does not consider them to be other-than-temporarily impaired at June 30, 2014.

The following table summarizes the relevant characteristics of our CDO securities portfolio, which are included in asset-backed securities, at June 30, 2014. Each security is part of a pool of issuers and supports a more senior tranche of securities except for the I-Pre TSL II, and MM Comm III securities which are the most senior class.

Collateralized Debt Obligation Data

June 30, 2014

(dollar amounts in thousands)

Deal Name	Par Value	Amortized Cost	Fair Value	Unrealized Loss (2)	Lowest Credit Rating(3)	Currently Performing/ Remaining(4)	Actual		Excess Subordination(5)
							# of Issuers	Deferrals and Defaults as a % of Original Collateral	
Alesco II (1)	\$ 41,646	\$ 29,235	\$ 14,722	\$ (14,513)	C	29/33	10%	9%	%
ICONS	20,000	20,000	15,878	(4,122)	BB	20/21	3	14	50
I-Pre TSL II	7,084	7,067	6,825	(242)	A	19/21	5	10	90
MM Comm III	5,626	5,375	4,402	(973)	BB	5/9	5	9	33
Pre TSL IX (1)	5,000	3,955	2,301	(1,654)	C	29/41	19	10	6
Pre TSL XI (1)	25,000	20,867	11,135	(9,732)	C	43/58	17	10	5
Pre TSL XIII (1)	27,530	20,506	12,746	(7,760)	C	44/59	18	17	10
Reg Diversified (1)	25,500	6,908	954	(5,954)	D	23/41	38	10	
Soloso (1)	12,500	2,440	260	(2,180)	C	38/61	28	20	
Tropic III	31,000	31,000	14,623	(16,377)	CCC+	26/40	24	11	37
Total at June 30, 2014	\$ 200,886	\$ 147,353	\$ 83,846	\$ (63,507)					
Total at December 31, 2013	\$ 214,419	\$ 161,730	\$ 84,136	\$ (77,594)					

(1) Security was determined to have OTTI. As such, the book value is net of recorded credit impairment.

(2) The majority of securities have been in a continuous loss position for 12 months or longer.

(3) For purposes of comparability, the lowest credit rating expressed is equivalent to Fitch ratings even where the lowest rating is based on another nationally recognized credit rating agency.

(4) Includes both banks and/or insurance companies.

(5) Excess subordination percentage represents the additional defaults in excess of both current and projected defaults that the CDO can absorb before the bond experiences credit impairment. Excess subordinated percentage is calculated by (a) determining what percentage of defaults a deal can experience before the bond has credit impairment, and (b) subtracting from this default breakage percentage both total current and expected future default percentages.

Security Impairment

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Huntington evaluated OTTI on the debt security types listed below.

Alt-A mortgage-backed and private-label CMO securities are collateralized by first-lien residential mortgage loans. The securities are valued by a third party pricing specialist using a discounted cash flow approach and proprietary pricing model. The model uses inputs such as estimated prepayment speeds, losses, recoveries, default rates that are implied by the underlying performance of collateral in the structure or similar structures, discount rates that are implied by market prices for similar securities, collateral structure types, and house price depreciation / appreciation rates that are based upon macroeconomic forecasts.

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Collateralized Debt Obligations are backed by a pool of debt securities issued by financial institutions. The collateral generally consists of trust-preferred securities and subordinated debt securities issued by banks, bank holding companies, and insurance companies. A full cash flow analysis is used to estimate fair values and assess impairment for each security within this portfolio. A third party pricing specialist with direct industry experience in pooled-trust-preferred security evaluations is engaged to provide assistance estimating the fair value and expected cash flows on this portfolio. The full cash flow analysis is completed by evaluating the relevant credit and structural aspects of each pooled-trust-preferred security in the portfolio, including collateral performance projections for each piece of collateral in the security and terms of the security's structure. The credit review includes an analysis of profitability, credit quality, operating efficiency, leverage, and liquidity using available financial and regulatory information for each underlying collateral issuer. The analysis also includes a review of historical industry default data, current/near term operating conditions, and the impact of macroeconomic and regulatory changes. Using the results of our analysis, we estimate appropriate default and recovery probabilities for each piece of collateral then estimate the expected cash flows for each security. The cumulative probability of default ranges from a low of 2.3% to 100%.

Many collateral issuers have the option of deferring interest payments on their debt for up to five years. For issuers who are deferring interest, assumptions are made regarding the issuers ability to resume interest payments and make the required principal payment at maturity; the cumulative probability of default for these issuers currently ranges from 31% to 100%, and a 10% recovery assumption. The fair value of each security is obtained by discounting the expected cash flows at a market discount rate, ranging from LIBOR plus 3.3% to LIBOR plus 13.5% as of June 30, 2014. The market discount rate is determined by reference to yields observed in the market for similarly rated collateralized debt obligations, specifically high-yield collateralized loan obligations. The relatively high market discount rate is reflective of the uncertainty of the cash flows and illiquid nature of these securities. The large differential between the fair value and amortized cost of some of the securities reflects the high market discount rate and the expectation that the majority of the cash flows will not be received until near the final maturity of the security (the final maturities range from 2032 to 2035).

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

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

For the three-month and six-month periods ended June 30, 2014 and 2013, the following table summarizes by security type the total OTTI losses recognized in the Unaudited Condensed Consolidated Statements of Income for securities evaluated for impairment as described above.

<i>(dollar amounts in thousands)</i>	Three Months Ended		Six Months Ended	
	2014	2013	2014	2013
Available-for-sale and other securities:				
Alt-A Mortgage-backed	\$	\$	\$	\$
Pooled-trust-preferred		(1,020)		(1,380)
Private label CMO				(336)
Total debt securities		(1,020)		(1,716)
Equity securities				
Total available-for-sale and other securities	\$	\$ (1,020)	\$	\$ (1,716)

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The following table rolls forward the OTTI recognized in earnings on debt securities held by Huntington for the three-month and six-month periods ended June 30, 2014 and 2013 as follows:

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Balance, beginning of period	\$ 30,869	\$ 50,129	\$ 30,869	\$ 49,433
Reductions from sales/maturities		(1,298)		(1,298)
Credit losses not previously recognized				
Additional credit losses		1,020		1,716
Balance, end of period	\$ 30,869	\$ 49,851	\$ 30,869	\$ 49,851

As of June 30, 2014, Management has evaluated all other investment securities with unrealized losses and all non-marketable securities for impairment and concluded no additional OTTI is required.

5. HELD-TO-MATURITY SECURITIES

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

Listed below are the contractual maturities (under 1 year, 1-5 years, 6-10 years, and over 10 years) of held-to-maturity securities at June 30, 2014 and December 31, 2013:

<i>(dollar amounts in thousands)</i>	June 30, 2014		December 31, 2013	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Federal agencies: mortgage-backed securities:				
Under 1 year	\$	\$	\$	\$
1-5 years				
6-10 years	24,901	23,780	24,901	22,549
Over 10 years	3,368,697	3,360,926	3,574,156	3,506,018
Total Federal agencies: mortgage-backed securities	3,393,598	3,384,706	3,599,057	3,528,567
Other agencies:				
Under 1 year				
1-5 years				
6-10 years	56,674	57,331	38,588	39,075
Over 10 years	163,068	160,911	189,999	185,097
Total other agencies	219,742	218,242	228,587	224,172
Total U.S. Government backed agencies	3,613,340	3,602,948	3,827,644	3,752,739
Municipal securities:				
Under 1 year				
1-5 years				
6-10 years				
Over 10 years	8,655	8,313	9,023	8,159

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Total municipal securities	8,655	8,313	9,023	8,159
Total held-to-maturity securities	\$ 3,621,995	\$ 3,611,261	\$ 3,836,667	\$ 3,760,898

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The following table provides amortized cost, gross unrealized gains and losses, and fair value by investment category at June 30, 2014 and December 31, 2013:

<i>(dollar amounts in thousands)</i>	Amortized Cost	Unrealized		Fair Value
		Gross Gains	Gross Losses	
June 30, 2014				
Federal Agencies:				
Mortgage-backed securities	\$ 3,393,598	\$ 22,638	\$ (31,530)	\$ 3,384,706
Other agencies	219,742	928	(2,428)	218,242
Total U.S. Government backed securities	3,613,340	23,566	(33,958)	3,602,948
Municipal securities	8,655		(342)	8,313
Total held-to-maturity securities	\$ 3,621,995	\$ 23,566	\$ (34,300)	\$ 3,611,261

<i>(dollar amounts in thousands)</i>	Amortized Cost	Unrealized		Fair Value
		Gross Gains	Gross Losses	
December 31, 2013				
Federal Agencies:				
Mortgage-backed securities	\$ 3,599,057	\$ 5,573	\$ (76,063)	\$ 3,528,567
Other agencies	228,587	776	(5,191)	224,172
Total U.S. Government backed securities	3,827,644	6,349	(81,254)	3,752,739
Municipal securities	9,023		(864)	8,159
Total held-to-maturity securities	\$ 3,836,667	\$ 6,349	\$ (82,118)	\$ 3,760,898

<i>(dollar amounts in thousands)</i>	Less than 12 Months		Over 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
June 30, 2014						
Federal Agencies:						
Mortgage-backed securities	\$ 1,172,741	\$ (12,372)	\$ 574,627	\$ (19,158)	\$ 1,747,368	\$ (31,530)
Other agencies	18,849	(49)	73,545	(2,379)	92,394	(2,428)
Total U.S. Government backed securities	1,191,590	(12,421)	648,172	(21,537)	1,839,762	(33,958)
Municipal securities	8,313	(342)			8,313	(342)
Total temporarily impaired securities	\$ 1,199,903	\$ (12,763)	\$ 648,172	\$ (21,537)	\$ 1,848,075	\$ (34,300)

<i>(dollar amounts in thousands)</i>	Less than 12 Months		Over 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2013						
Federal Agencies:						
Mortgage-backed securities	\$ 2,849,198	\$ (73,711)	\$ 22,548	\$ (2,352)	\$ 2,871,746	\$ (76,063)
Other agencies	144,417	(5,191)			144,417	(5,191)

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Total U.S. Government backed securities	2,993,615	(78,902)	22,548	(2,352)	3,016,163	(81,254)
Municipal securities	8,159	(864)			8,159	(864)
Total temporarily impaired securities	\$ 3,001,774	\$ (79,766)	\$ 22,548	\$ (2,352)	\$ 3,024,322	\$ (82,118)

Security Impairment

Huntington evaluates the held-to-maturity securities portfolio on a quarterly basis for impairment. Impairment would exist when the present value of the expected cash flows is not sufficient to recover the entire amortized cost basis at the balance sheet date. Under these circumstances, any impairment would be recognized in earnings. As of June 30, 2014, Management has evaluated held-to-maturity securities with unrealized losses for impairment and concluded no OTTI is required.

Table of Contents**6. LOAN SALES AND SECURITIZATIONS****Residential Mortgage Loans**

The following table summarizes activity relating to residential mortgage loans sold with servicing retained for the three-month and six-month periods ended June 30, 2014 and 2013:

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Residential mortgage loans sold with servicing retained	\$ 566,471	\$ 913,994	\$ 1,048,308	\$ 1,750,127
Pretax gains resulting from above loan sales (1)	14,996	32,727	27,072	68,295

(1) Recorded in mortgage banking income.

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

The following tables summarize the changes in MSRs recorded using either the fair value method or the amortization method for the three-month and six-month periods ended June 30, 2014 and 2013:

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Fair Value Method:				
Fair value, beginning of period	\$ 30,628	\$ 35,582	\$ 34,236	\$ 35,202
Change in fair value during the period due to:				
Time decay (1)	(656)	(625)	(1,381)	(1,234)
Payoffs (2)	(1,611)	(3,601)	(3,525)	(6,759)
Changes in valuation inputs or assumptions (3)	(1,614)	6,188	(2,583)	10,335
Fair value, end of period:	\$ 26,747	\$ 37,544	\$ 26,747	\$ 37,544
Weighted-average life (years)	3.9	4.2	3.9	4.2

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

Amortization Method:	Three Months Ended June 30,		Six Months Ended June 30,	
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<i>(dollar amounts in thousands)</i>	2014	2013	2014	2013
Carrying value, beginning of period	\$ 132,651	\$ 104,345	\$ 128,064	\$ 85,545
New servicing assets created	5,578	9,465	10,631	18,750
Servicing assets acquired			3,505	
Impairment (charge) / recovery	(3,685)	7,940	(7,027)	21,591
Amortization and other	(1,431)	(3,772)	(2,060)	(7,908)
Carrying value, end of period	\$ 133,113	\$ 117,978	\$ 133,113	\$ 117,978
Fair value, end of period	\$ 139,915	\$ 129,050	\$ 139,915	\$ 129,050
Weighted-average life (years)	5.9	6.4	5.9	6.4

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

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

For MSRs under the fair value method, a summary of key assumptions and the sensitivity of the MSR value at June 30, 2014 and December 31, 2013, to changes in these assumptions follows:

	June 30, 2014			December 31, 2013		
	Actual	Decline in fair value due to		Actual	Decline in fair value due to	
		10%	20%		10%	20%
		adverse change	adverse change		adverse change	adverse change
<i>(dollar amounts in thousands)</i>						
Constant prepayment rate (<i>annualized</i>)	14.10 %	\$ (1,871)	\$ (3,700)	11.90 %	\$ (1,935)	\$ (3,816)
Spread over forward interest rate swap rates	1,094 bps	(1,026)	(2,051)	1,069 bps	(1,376)	(2,753)

For MSRs under the amortization method, a summary of key assumptions and the sensitivity of the MSR value at June 30, 2014 and December 31, 2013, to changes in these assumptions follows:

	June 30, 2014			December 31, 2013		
	Actual	Decline in fair value due to		Actual	Decline in fair value due to	
		10%	20%		10%	20%
		adverse change	adverse change		adverse change	adverse change
<i>(dollar amounts in thousands)</i>						
Constant prepayment rate (<i>annualized</i>)	8.20 %	\$ (6,901)	\$ (13,520)	6.70 %	\$ (6,813)	\$ (12,977)
Spread over forward interest rate swap rates	950 bps	(5,661)	(11,323)	940 bps	(6,027)	(12,054)

Total servicing fees included in mortgage banking income amounted to \$10.9 million for each of the three-month periods ended June 30, 2014 and 2013. For the six-month periods ended June 30, 2014 and 2013, total servicing fees included in mortgage banking income were \$21.8 million and \$22.1 million, respectively. The unpaid principal balance of residential mortgage loans serviced for third parties was \$15.6 billion and \$15.2 billion at June 30, 2014 and December 31, 2013, respectively.

Automobile Loans and Leases

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

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Changes in the carrying value of automobile loan servicing rights for the three-month and six-month periods ended June 30, 2014 and 2013, and the fair value at the end of each period were as follows:

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Carrying value, beginning of period	\$ 14,357	\$ 30,436	\$ 17,672	\$ 35,606
New servicing assets created				
Amortization and other	(2,842)	(4,748)	(6,157)	(9,918)
Carrying value, end of period	\$ 11,515	\$ 25,688	\$ 11,515	\$ 25,688
Fair value, end of period	\$ 11,846	\$ 25,742	\$ 11,846	\$ 25,742
Weighted-average life (years)	3.0	3.8	3.0	3.8

A summary of key assumptions and the sensitivity of the automobile loan servicing rights value to changes in these assumptions at June 30, 2014 and December 31, 2013 follows:

<i>(dollar amounts in thousands)</i>	Actual	June 30, 2014		Actual	December 31, 2013	
		Decline in fair value due to			Decline in fair value due to	
		10% adverse change	20% adverse change		10% adverse change	20% adverse change
Constant prepayment rate (annualized)	14.64 %	\$ (429)	\$ (770)	14.65 %	\$ (584)	\$ (1,183)
Spread over forward interest rate swap rates	500 bps	(4)	(7)	500 bps	(7)	(15)

Servicing income, net of amortization of capitalized servicing assets and impairment, amounted to \$2.0 million and \$2.6 million for the three-month periods ending June 30, 2014, and 2013, respectively. For the six-month periods ended June 30, 2014 and 2013, total servicing income, net of amortization of capitalized servicing assets and impairment, were \$4.1 million and \$5.4 million, respectively. The unpaid principal balance of automobile loans serviced for third parties was \$1.2 billion and \$1.6 billion at June 30, 2014 and December 31, 2013, respectively.

Small Business Association (SBA) Portfolio

The following table summarizes activity relating to SBA loans sold with servicing retained for the three-month and six-month periods ended June 30, 2014 and 2013:

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
SBA loans sold with servicing retained	\$ 45,229	\$ 39,378	\$ 86,101	\$ 66,286
Pretax gains resulting from above loan sales (1)	5,396	4,265	9,772	7,341

(1) Recorded in mortgage banking income.

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

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The following tables summarize the changes in the carrying value of the servicing asset for the three-month and six-month periods ended June 30, 2014 and 2013, and the fair value at the end of each period were as follows:

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Carrying value, beginning of period	\$ 17,028	\$ 14,894	\$ 16,865	\$ 15,147
New servicing assets created	1,526	1,344	2,861	2,227
Amortization and other	(1,362)	(1,018)	(2,534)	(2,154)
Carrying value, end of period	\$ 17,192	\$ 15,220	\$ 17,192	\$ 15,220
Fair value, end of period	\$ 17,192	\$ 15,220	\$ 17,192	\$ 15,220
Weighted-average life (years)	3.5	3.5	3.5	3.5

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A summary of key assumptions and the sensitivity of the SBA loan servicing rights value to changes in these assumptions at June 30, 2014 and December 31, 2013 follows:

	Actual	June 30, 2014		Actual	December 31, 2013	
		Decline in fair value due to			Decline in fair value due to	
		10% adverse change	20% adverse change		10% adverse change	20% adverse change
<i>(dollar amounts in thousands)</i>						
Constant prepayment rate <i>(annualized)</i>	5.70 %	\$ (197)	\$ (391)	5.90 %	\$ (221)	\$ (438)
Discount rate	1,500 bps	(511)	(1,001)	1,500 bps	(446)	(873)

Servicing income, net of amortization of capitalized servicing assets, amounted to \$1.8 million and \$1.6 million for the three-month periods ending June 30, 2014, and 2013, respectively. For the six-month periods ended June 30, 2014 and 2013, total servicing income, net of amortization of capitalized servicing assets, was \$3.6 million and \$3.1 million, respectively. The unpaid principal balance of SBA loans serviced for third parties was \$1.0 billion and \$0.9 billion at June 30, 2014 and December 31, 2013, respectively.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

Business segments are based on segment leadership structure, which reflects how segment performance is monitored and assessed. During the 2014 first quarter, we realigned our business segments to drive our ongoing growth and leverage the knowledge of our highly experienced team. We now have five major business segments: Retail and Business Banking, Commercial Banking, Automobile Finance and Commercial Real Estate (AFCRE), Regional Banking and The Huntington Private Client Group (RBHPCG), and Home Lending. A Treasury / Other function includes our insurance brokerage business, along with technology and operations, other unallocated assets, liabilities, revenue, and expense. All periods presented have been reclassified to conform to the current period classification. Amounts relating to the realignment are disclosed in the table below.

A rollforward of goodwill by business segment for the first six-month period of 2014 is presented in the table below:

	Retail & Business Banking	Commercial Banking	AFCRE	RBHPCG	Home Lending	Treasury/ Other	Huntington Consolidated
<i>(dollar amounts in thousands)</i>							
Balance, beginning of period	\$ 286,824	\$ 16,169	\$	\$ 98,951	\$	\$ 42,324	\$ 444,268
Goodwill acquired during the period	64,180						64,180
Adjustments		5,939		(8,939)	3,000		
Impairment					(3,000)		(3,000)
Balance, end of period	\$ 351,004	\$ 22,108	\$	\$ 90,012	\$	\$ 42,324	\$ 505,448

Goodwill acquired during the period was the result of the Camco Financial acquisition, which was completed on March 1, 2014. For additional information, see Business Combinations footnote.

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

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At June 30, 2014 and December 31, 2013, Huntington's other intangible assets consisted of the following:

<i>(dollar amounts in thousands)</i>	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
June 30, 2014			
Core deposit intangible	\$ 387,105	\$ (350,602)	\$ 36,503
Customer relationship	107,197	(62,403)	44,794
Other	25,164	(25,001)	163
Total other intangible assets	\$ 519,466	\$ (438,006)	\$ 81,460
December 31, 2013			
Core deposit intangible	\$ 380,249	\$ (335,552)	\$ 44,697
Customer relationship	106,974	(58,675)	48,299
Other	25,164	(24,967)	197
Total other intangible assets	\$ 512,387	\$ (419,194)	\$ 93,193

The estimated amortization expense of other intangible assets for the remainder of 2014 and the next five years is as follows:

<i>(dollar amounts in thousands)</i>	Amortization Expense
2014	\$ 19,029
2015	21,783
2016	8,407
2017	7,762
2018	6,752
2019	6,205

8. OTHER LONG-TERM DEBT

In February 2014, the Bank issued \$500.0 million of senior notes at 99.842% of face value. The senior bank note issuances mature on April 1, 2019 and have a fixed coupon rate of 2.20%. The senior note issuance may be redeemed one month prior to the maturity date at 100% of principal plus accrued and unpaid interest.

In April 2014, the Bank issued \$500.0 million of senior notes at 99.842% of face value. The senior note issuances mature on April 24, 2017 and have a fixed coupon rate of 1.375%. In April 2014, the Bank also issued \$250.0 million of senior notes at 100.0% of face value. The senior bank note issuances mature on April 24, 2017 and have a variable coupon rate equal to the three month LIBOR plus 0.425%. Both senior note issuances may be redeemed one month prior to their maturity date at 100% of principal plus accrued and unpaid interest.

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The components of other comprehensive income for the three-month and six-month periods ended June 30, 2014 and 2013, were as follows:

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

<i>(dollar amounts in thousands)</i>	Three Months Ended June 30, 2013		
	Pretax	Tax (Expense) Benefit	After-tax
Noncredit-related impairment recoveries (losses) on debt securities not expected to be sold	\$ 6,102	(2,157)	3,945
Unrealized holding gains (losses) on available-for-sale debt securities arising during the period	(119,321)	42,105	(77,216)
Less: Reclassification adjustment for net losses (gains) included in net income	926	(327)	599