

FEDERAL RESERVE BANK *of* CLEVELAND

R. Ryan Schilling
Banking Supervisor
Supervision & Regulation

P.O. Box 6387
Cleveland, OH 44101-1387

513.455.4406 *phone*
ryan.schilling@clev.frb.org
www.clevelandfed.org

February 2, 2021

SENT VIA FR SECURE EMAIL ONLY

Mr. Jeffrey Watiker
Counsel
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019

Dear Mr. Watiker:

The following relates to the application filed by Huntington Bancshares Incorporated, Columbus, Ohio (“Huntington”), to acquire TCF Financial Corporation, Detroit, Michigan (“TCF”), pursuant to sections 3(a)(3) and (3)(a)(5) of the Bank Holding Company Act of 1956, as amended (“BHC Act”). Please provide a complete, detailed response to each of the following additional information items, including those in the confidential section. Supporting documentation should be provided, as appropriate.

To the extent the information requested below is not yet available, provide a date by which the requested information is expected to be made available to the Board of Governors of the Federal Reserve System (“Board”).

Convenience and Needs

1. Please discuss any modifications or enhancements to the current consumer compliance management systems of The Huntington National Bank (“Huntington Bank”) or TCF National Bank (“TCF Bank”) that will be implemented at the combined bank. Include any aspects of TCF Bank’s consumer compliance management system that will be retained at the combined bank.
2. Indicate any current community development lending, investment, or service activities of Huntington Bank or TCF Bank that would be discontinued following the transaction.
3. Confirm whether the planned branch consolidations or closures would result in any changes to the current CRA assessment areas of Huntington Bank or TCF Bank
4. The application states that “Huntington Bank is taking care to mitigate, where possible, any potentially adverse effects of branch closure and consolidation actions.” Please describe these efforts to mitigate potential adverse effects for branches in low- or moderate-income tracts that are slated for closure.
5. The application states that “Huntington is still in the process of evaluating TCF’s products and services, and their terms, and mapping them to its own products and services in order to determine which, if any, products or services of TCF will be discontinued or changed.” Please provide an update on this review process, and an anticipated timeframe for completion

February 2, 2021

Financial Stability

Data referenced in this section are requested as of September 30, 2020.

6. Provide a list of business lines and products in which Huntington plans to initiate new operations, or expand existing operations, subsequent to the closing of the acquisition.
7. How, if at all, would the proposed transaction increase financial stability risks of the United States banking or financial system? What steps does Huntington plan to take to mitigate such risks and vulnerabilities?
8. How, if at all, would the proposed acquisition promote financial stability of the United States banking or financial system?
9. For TCF, provide the total amount for each of the following FR Y-15 line items. For both Huntington and TCF, provide the five largest counterparties rolled up to the parent company and their corresponding amounts.
 - a. Total exposure (Y832)
 - b. Total intra-financial system assets (M362)
 - c. Total intra-financial system liabilities (M370)
 - d. Total securities outstanding (M376)
 - e. Payments activity (M390)
 - f. Assets held as a custodian on behalf of customers (M405)
 - g. Total underwriting activity (M408)
 - h. OTC derivative contracts settled bilaterally (M410)
 - i. Total notional amount of OTC derivatives (M411)
 - j. Total adjusted trading and AFS securities (N255)
 - k. Assets valued using Level 3 measurement inputs (G506)
 - l. Foreign claims on an ultimate-risk basis (M422)
 - m. Total cross-jurisdictional liabilities (M426)
 - n. Total short-term wholesale funding, by maturity (Y890, Y891, Y892, Y893)
 - o. Total short-term wholesale funding (Y894)
 - p. Average risk-weighted assets (Y895)
 - q. Short-term wholesale funding metric (Y896)
10. Provide the dollar amounts for the five largest categories of Trading Securities and AFS Securities, for both Huntington and TCF.
11. Provide the dollar amounts for the five largest categories of held-to-maturity securities for both Huntington and TCF.
12. To the extent not already provided in the notifications, identify whether Huntington or TCF are involved in each of the following activities, discuss the nature of this involvement, and provide a brief listing of other firms that engage in the same activity in the United States. For both Huntington and TCF, separately, provide measures of the scale of each activity specified, for both the most recent quarter and the most recently completed year. Measures should be stated both in U.S. dollars and as a share of overall U.S. activity; derivatives should be stated as notional dollar amounts. Responses may be confined to information maintained in the regular course of business.
 - a. Short-term lending
 - i. Reverse bilateral repurchase agreements (volume)

- ii. Reverse tri-party repurchase agreements (volume)
 - iii. Fed funds (volume)
 - iv. Tri-party repo dealing (volume)
 - b. Commercial lending
 - i. Syndicated lending (volume)
 - ii. Syndicated pipeline commitments (volume)
 - iii. Lending to small and medium-sized enterprises (volume)
 - iv. Unfunded commitments (volume)
 - c. Underwriting services
 - i. Issuance of new equities (volume)
 - ii. Corporate bonds (volume)
 - iii. Commercial paper (volume)
 - iv. Asset backed securities (volume)
 - v. Other debt securities (volume)
 - d. Total provisions of services in the following sectors.
 - i. Prime brokerage (number of funds and fund sponsors, and total assets under management)
 - ii. Securities lending (report value of securities lent as a custodian and securities lent from trading book)
 - iii. Corporate trust
 - iv. Correspondent banking
 - v. Wealth management (total assets under management)
 - vi. Insurance (by segment, including reinsurance)
- 13. Provide a list of the top five Level 3 Asset categories included in item G506 of form FR Y-15 and the corresponding amounts for both Huntington and TCF.
- 14. Provide a list and description of current Material Entities and Core Business Lines that do not appear on Huntington's 165(d) Resolution Plan, dated December 31, 2017.
- 15. Provide TCF's Method 1 score and Method 2 score as of September 30, 2020, calculated pursuant to the Board's GSIB surcharge rule (see 12 CFR part 217, subpart H).
- 16. Provide a list and description of any Material Entities and Core Business Lines that the proposed acquisition would generate that do not appear on Huntington's 165(d) Resolution Plan, dated December 31, 2017.
- 17. In the event of failure, explain how Huntington, subsequent to the proposed acquisition, can be resolved within reasonable limits of cost, time, and difficulty.
- 18. Provide the volume of total deposits, core deposits, brokered deposits, and uninsured deposits for both The Huntington National Bank and TCF National Bank.
- 19. In 2016, the FDIC adopted a rule requiring institutions with at least 2 million deposit accounts to improve the quality of their deposit data and make changes to their information systems so that regulators could make a rapid and accurate deposit insurance determination in the event of failure (see Final Rule: Recordkeeping for Timely Deposit Insurance Determination, 81 Fed. Reg. 87734, 87746, Dec. 5, 2016). Provide a description of the extent to which the applicants intend to comply with this rule, voluntarily or otherwise.

February 2, 2021

Other Information

20. Provide the affidavits to the three newspaper publications when available.

Provide your response **via E-Apps** within eight business days and to the attention of Tani Wolfe, Senior Examiner/Applications Analyst at the Federal Reserve Bank of Cleveland. Any information for which confidential treatment is desired should be so labeled and separately bound in accordance with section 261.17 of the Board's Rules Regarding Availability of Information. Please also send a copy of your response to the Office of the Comptroller of the Currency and the Department of Justice, Antitrust Division. If you have any questions regarding this matter, please contact Tani Wolfe (216-579-2179) of the Reserve Bank, Vivian Joel (202-912-4313) of the Board's Division of Supervision and Regulation, or Nate Balk (202-872-7517) of the Board's Legal Division.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Ryan Schilling". The signature is fluid and cursive, with the first name "R. Ryan" and the last name "Schilling" clearly distinguishable.

R. Ryan Schilling
Banking Supervisor

RRS/ms

cc: Board of Governors