



**The Huntington National Bank  
CIDI Resolution Plan: Public Section  
July 1, 2025**

## **Forward-Looking Statements**

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include, but are not limited to, certain plans, expectations, goals, projections, and statements, which are not historical facts and are subject to numerous assumptions, risks, and uncertainties. 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. Factors that could cause results to differ materially from those contemplated by such statements can be found in the Annual Report on Form 10-K for the year ended December 31, 2024, filed by Huntington Bancshares Incorporated (HBI) with the Securities and Exchange Commission (SEC), and documents subsequently filed by HBI with the SEC. All forward-looking statements speak only as of the date they are made and are based on information available at that time. HBI and its subsidiaries do not assume any obligation to update forward-looking statements to reflect circumstances or events that occur after the date they were made or to reflect the occurrence of unanticipated events except to the extent required by applicable law or regulation. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on them.

## **Where You Can Find More Information**

Further financial detail on The Huntington National Bank (HNB) is disclosed in the Federal Financial Institutions Examination Council (FFIEC) Form 031 (the Call Reports) as filed with the Federal Deposit Insurance Corporation (FDIC), which is available on the FFIEC's website at [cdr.ffiec.gov](https://cdr.ffiec.gov).

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## SECTION I: Introduction

The FDIC has adopted regulations (the Insured Depository Institution [IDI] Rule) that require covered insured depository institutions (CIDI) to submit a resolution plan under the IDI Rule (IDI Resolution Plan)<sup>1</sup> that should enable the FDIC, as receiver, to resolve the institution under 12 U.S.C. 1821 and 1823 in a manner that provides depositors timely access to their insured deposits, maximizes the return from the sale or disposition of assets, and minimizes the amount of any loss realized by the creditors in the resolution, and addresses risks of adverse effects on U.S. economic conditions or economic stability.

The Huntington National Bank (HNB) has more than \$100 billion in total assets, making it a Group A CIDI under the IDI Rule. Importantly, HNB is not in financial distress or in danger of failing. As of December 31, 2024, it has regulatory capital ratios significantly in excess of the amount required to be considered well capitalized under U.S. banking regulations.

This Public Section provides information about HNB's material entities identified for resolution planning purposes, its core business lines (CBLs), and key elements of its IDI Resolution Plan. It also provides a high-level overview of HNB's identified strategy.

HNB believes that the strategies identified in its Resolution Plan would allow it to be resolved in an orderly manner consistent with the FDIC's resolution objectives without threatening U.S. financial stability and without the need for extraordinary government or taxpayer support.

Unless otherwise indicated, information in this Public Summary is provided as of December 31, 2024.

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<sup>1</sup> 12 C.F.R. § 360.10.

## **SECTION II: Material Entities**

For the purposes of this Resolution Plan, HNB and its parent company Huntington Bancshares Incorporated (HBI) were identified as the only material entities.

Under the IDI Rule, a material entity is a company, domestic branch, or foreign branch that is significant to the activities of a critical service<sup>2</sup> or CBL<sup>3</sup>. The Resolution Plan addresses strategies that could be useful in facilitating the orderly resolution of each material entity in the event of financial distress or failure. Each material entity is described below.

### **A. The Huntington National Bank**

HNB, organized in 1866, is a wholly-owned banking subsidiary of HBI, and is the only banking entity of HBI. HNB's total assets represent more than 99% of HBI's consolidated assets and contributes substantially all of HBI's consolidated revenue and net income. In addition, HNB provides virtually all Critical Services, employs key personnel, owns or leases key real estate, and provides operational and financial support to the two CBLs described in Section III: Core Business Lines.

HNB provides full-service commercial and consumer banking services, mortgage banking services, automobile financing, recreational vehicle and marine financing, equipment financing, inventory finance, investment management, trust services, and other financial products and services.

As of December 31, 2024, HNB's 978 branches and private client group offices are primarily located in Colorado, Florida, Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, Pennsylvania, West Virginia, and Wisconsin, with planned expansion into North and South Carolina in 2025. HNB also maintains a local banking presence in Texas. In addition, HNB has limited lending-only operations in Canada, Australia, and New Zealand through foreign subsidiaries in each of those jurisdictions.

HNB's net income was \$2.1 billion in 2024, with revenue of \$7.3 billion. As of December 31, 2024, HNB's assets are approximately \$203.4 billion with liabilities of approximately \$183.3 billion. Loans and leases represent the largest portion of HNB's assets.

The Office of the Comptroller of the Currency (OCC) establishes capital requirements for national banks. As of December 31, 2024, HNB is well-capitalized under the OCC's regulatory capital adequacy guidelines.

### **B. Huntington Bancshares Incorporated**

HBI is a Bank Holding Company under the Bank Holding Company Act of 1956 and has elected to be a Financial Holding Company. HBI is the parent holding company of HNB and is publicly traded on the NASDAQ exchange under the ticker symbol HBAN.

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<sup>2</sup> Under the IDI Rule, critical services means services and operations of the CIDI, such as servicing, information technology support and operations, human resources and personnel that are necessary to continue day-to-day operations of the CIDI.

<sup>3</sup> Under the IDI Rule, a core business line means those business lines of the CIDI, including associated operations, services, functions and support that, in the view of the CIDI, upon failure would result in a material loss of revenue, profit, or franchise value.

HBI is a multi-state diversified regional company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. HNB, organized in 1866, is a wholly owned banking subsidiary of HBI, and HBI's only banking entity. Through HNB and its other subsidiaries, HBI services customers' financial needs by providing full-service commercial and consumer deposit, lending, and other banking services. These include, but are not limited to, payments, mortgage banking, direct and indirect consumer financing, investment banking, capital markets, advisory, equipment financing, distribution finance, investment management, trust, brokerage, insurance, and other financial products and services.

HBI itself does not have activities which meet the definition of a CBL. HBI's subsidiaries do not have significant operational dependency on HBI. However, HBI does provide its subsidiaries with capital and funding, which enables those subsidiaries to engage in providing HBI's critical services and CBLs.

As of December 31, 2024, HBI's total consolidated assets were \$204.2 billion with total liabilities of \$184.4 billion.

The Board of Governors of the Federal Reserve System (Fed) establishes capital requirements, including well-capitalized standards for consolidated bank holding companies. At December 31, 2024, HBI was well-capitalized under the Fed's regulatory capital adequacy guidelines.

## **SECTION III: Core Business Lines**

HNB has identified two CBLs under the IDI Rule, (1) Consumer and Regional Banking (CRB) and (2) Commercial Banking. Each CBL is described below.

### **A. CRB**

CRB offers a comprehensive set of digitally powered consumer and business financial solutions to Consumer Lending, Regional Banking, Branch Banking, and Wealth Management customers. It serves its customers through HNB's network of regional banking and national specialty finance channels, including branches and ATMs, online and mobile banking, customer call centers, and strategic national partnerships. CRB is divided into the following business units: Consumer Finance, Regional Banking, Branch Banking, and Wealth Management. In addition, CRB includes the following shared service units: Customer Solution Center; and Deposits, Digital and Strategy; and Business Management, Insurance, and Optimal Customer Relationship (OCR).

### **B. Commercial Banking**

Commercial Banking provides expertise through bankers, capabilities, and digital capabilities, and includes a comprehensive set of product offerings. Clients span from middle market to large corporations across a national footprint. This CBL leverages internal partnerships for wealth management, trust, insurance, payments, and treasury management capabilities.

Through a relationship banking model, Commercial Banking provides a comprehensive set of product offerings and capabilities to middle market, large corporate, specialized industries and government/ public sector customers located within HBI's geographic footprint, as well as nationally. Commercial Banking is divided into the following business units: Middle Market Banking; Corporate, Specialty, and Government Banking; Asset Finance; Commercial Real Estate; Capital Markets, National Settlement; and Carolinas Expansion. The following shared service units support Commercial Banking: Commercial Administration / Business Management; Business Segment Risk; Commercial Credit, and Commercial Strategy and Digital.

## SECTION IV: Summary Financial Information

HNB's consolidated balance sheet as of December 31, 2024, is presented below. This information is based on HNB's Consolidated Report of Condition and Income on FFIEC Form 031 for the year ended December 31, 2024, which is filed with the FDIC and available at [cdr.ffiec.gov](http://cdr.ffiec.gov).

**HNB Consolidated Balance Sheet as of December 31, 2024**

| <b>(\$ in thousands)</b>                                 | <b>HNB</b>            |
|--|-----------------------|
| <i>Assets</i>  |                       |
| Interest-bearing deposits in banks                       | \$ 11,577,549         |
| Loans held for sale                                      | 653,688               |
| Trading account securities                               | 417,402               |
| Total securities   | 43,642,070            |
| Total Loans and leases                                   | 129,947,404           |
| Allowance for loan and lease losses                      | (2,244,361)           |
| Net loans and leases                                     | 127,703,043           |
| Cash and due from banks                                  | 2,663,322             |
| Premises and fixed assets                                | 1,322,812             |
| Goodwill and other intangible assets                     | 5,993,950             |
| Other assets   | 9,453,697             |
| <b>Total assets</b>                                      | <b>\$ 203,427,533</b> |
| <i>Liabilities and shareholders' equity</i>              |                       |
| Deposits   | \$ 166,964,504        |
| Repurchase agreements                                    | 142,068               |
| Fed funds borrowed                                       | -                     |
| FHLB borrowings < 1 year                                 | 200,000               |
| FHLB borrowings > 1 year                                 | 4,495,763             |
| Bank notes & other borrowings                            | 6,241,224             |
| Subordinated notes and debentures                        | 1,100,060             |
| Other liabilities  | 4,157,110             |
| Total liabilities  | 183,300,729           |
| <i>Shareholders' equity</i>                              |                       |
| Preferred stock  | 780,000               |
| Common stock   | 39,999                |
| Capital surplus  | 18,313,216            |
| Accumulated other comprehensive income                   | (2,845,289)           |
| Retained (deficit) earnings                              | 3,413,255             |
| Noncontrolling (minority) interests in consolidated subs | 425,623               |
| Total shareholders' equity                               | 20,126,804            |
| <b>Total liabilities and shareholders' equity</b>        | <b>\$ 203,427,533</b> |



## A. Capital

Regulatory capital and shareholder equity is centrally managed. HBI has an active program for managing capital and maintains a comprehensive process for assessing its overall adequacy. HNB's capital is generated primarily through retention of earnings. Other potential sources include issuance of common and preferred stock. HBI's primary objectives are to maintain capital at each entity, including HNB, at an amount commensurate with its overall risk profile and risk tolerance objectives, to meet regulatory and market expectations, and to provide flexibility needed for future growth and business opportunities.

HNB is subject to certain risk-based capital and leverage ratio requirements adopted by the OCC. These quantitative calculations are minimums, and the OCC may determine that HNB, based on its size, complexity, or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner.

HNB's assets, exposures, and certain off-balance sheet items are subject to risk weights used to determine risk-weighted assets, which are used to calculate the following minimum capital ratios for HNB:

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

As of December 31, 2024, HNB meets all capital adequacy and capital buffer requirements and had capital ratios above well-capitalized standards. HNB's period-end capital amounts and capital ratios are presented below.

| (\$ amounts in thousands)               | HNB            | Well Capitalized<br>Minimums |
|---|----------------|------------------------------|
| <b>Regulatory Capital</b>               |                |                              |
| Common Equity Tier 1 risk-based capital | \$ 16,540,458  |                              |
| Tier 1 risk-based capital               | 17,746,081     |                              |
| Total risk-based capital                | 20,240,014     |                              |
| Tier 1 leverage                         | 17,746,081     |                              |
| <b>Assets</b>                           |                |                              |
| Total risk-weighted assets              | \$ 143,127,840 |                              |
| <b>Ratios</b>                           |                |                              |
| Common Equity Tier 1 ratio              | 11.6%          | 6.5%                         |
| Tier 1 risk-based capital ratio         | 12.4%          | 8.0%                         |
| Total risk-based capital ratio          | 14.1%          | 10.0%                        |
| Tier 1 leverage ratio                   | 8.9%           | 5.0%                         |

## B. Liquidity and Funding Sources

The objective of HNB's liquidity risk management is to ensure adequate, stable, reliable, and cost-effective sources of funds to satisfy changes in loan and lease demand, unexpected levels of deposit withdrawals, investment opportunities, and other contractual obligations. To meet this objective, the the HBI Board-level Risk Oversight Committee (ROC) appointed the Asset and Liability Management Committee (ALCO) to oversee liquidity risk management, including the establishment of policies and additional metrics and limits to support the overall liquidity risk appetite, which includes risk metrics that are designed and monitored to ensure HNB maintains adequate liquidity to meet current and future funding needs, including during periods of potential stress.

Liquidity risk is managed centrally by Corporate Treasury with independent oversight of liquidity risk performed by Corporate Risk Management. Liquidity positions are evaluated daily, weekly, and monthly by analyzing the composition of all funding sources, reviewing projected liquidity commitments by future months, and identifying sources and uses of funds. Liquidity working groups meet regularly to provide policy guidance, review funding strategies, and oversee the adherence to, and maintenance of, contingency funding plans.

Customer deposits are the primary source of funding for HNB. As of December 31, 2024, funding from customer deposits represented 76% of total assets, and 120% of total loans. To the extent that sufficient liquidity cannot be obtained through customer deposits, cash and cash equivalents, and securities, liquidity needs may be met through wholesale funding and asset securitization or sale. HNB maintains borrowing capacity at both the Federal Home Loan Bank and Federal Reserve Bank secured by pledged loans and securities. HNB does not consider borrowing capacity at the Federal Reserve a primary source of funding, however, it could be used as a potential source of liquidity in a stressed environment or during a market disruption. At December 31, 2024, HNB's available contingent borrowing capacity totaled \$85.5 billion.

## **SECTION V: Derivatives Activities and Hedging Activities**

HNB uses derivative financial instruments to manage exposure to market risk and to assist customers with their risk management objectives. These instruments are recorded on the balance sheet as either an asset or a liability (in other assets or other liabilities) and measured at fair value. At inception, a derivatives contract is designated as either a qualifying hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge), or a qualifying hedge of the variability of cash flows to be received or paid related to a recognized asset, liability, or forecasted transaction (cash flow hedge).

### **A. Asset and Liability Management Activities**

Through HNB, a variety of derivative financial instruments, principally interest rate swaps, swaptions, floors, forward contracts, and forward starting interest rate swaps, are used to centrally manage HBI's asset and liability management activities to protect against the risk of adverse price or interest rate movements. These instruments provide flexibility in adjusting HBI and HNB's sensitivity to changes in interest rates without exposure to loss of principal and higher funding requirements. Asset and liability management activity is generally arranged to receive hedge accounting treatment that can be classified as either fair value or cash flow hedges. Fair value hedges are used to convert changes in fair value of outstanding fixed-rate debt and investment securities caused by fluctuations in market interest rates. Cash flow hedges are used to modify interest rate characteristics of designated commercial loans in order to reduce the impact of changes in future cash flows due to market interest rate changes.

### **B. Mortgage Loan Origination Activities**

HNB uses derivatives, principally loan sale commitments, in hedging mortgage loan interest rate lock commitments and mortgage loans held for sale. HNB's mortgage origination hedging activity is related to the hedging of the mortgage pricing commitments to customers and the secondary sale to third parties. The value of a newly originated mortgage is not firm until the interest rate is committed or locked. The interest rate lock commitments are derivative positions, which are offset by forward commitments to sell loans. HNB uses forward commitments to hedge the possible loss on interest rate lock commitments due to interest rate changes.

### **C. Mortgage Servicing Rights Activities**

HNB also uses certain derivative financial instruments to offset changes in the value of mortgage servicing rights (MSR). These include forward commitments, to-be-announced (TBA) securities, Treasury futures contracts, interest rate swaps, and options on interest rate swaps. These derivatives are not designated as qualifying hedges, but are recorded at fair value with changes in fair value reflected in mortgage banking income.

### **D. Customer Trading Activities**

HNB offers various derivative financial instruments to enable customers to meet their financing, investing, and risk management objectives. These include commodity, interest rate, and foreign exchange contracts. The derivatives contracts grant the option holder the right to buy or sell an underlying financial instrument for a predetermined price before the contract expires.

HNB enters into offsetting third-party contracts with approved, reputable counterparties with substantially matching terms and currencies in order to economically hedge significant exposures generated by engaging in customer trading activities. The interest rate or price risk of customer derivatives is mitigated by entering into similar derivatives having offsetting terms with other counterparties. The credit risk to these customers is evaluated and included in the calculation of fair value. Foreign currency derivatives help the customer hedge risk and reduce exposure to fluctuations in exchange rates. Transactions are primarily in liquid currencies, with Canadian dollars and Euros comprising a majority of all transactions. Commodity derivatives help the customer hedge risk and reduce exposure to fluctuations in the price of various commodities. Hedging of energy-related products and base metals comprise the majority of these transactions.

## **SECTION VI: Payment, Clearing, and Settlement System Service Providers**

HNB engages in cash and securities transactions with financial market utilities (FMUs) or payment, clearing and settlement systems (PCS). Most FMUs are considered domestic, or operated within the U.S. HNB defines material FMUs as those with which HNB had greater than \$10 billion of annual transaction value.

### **A. Federal Reserve Bank Services FMUs**

Each PCS described in this section is operated by the Federal Reserve.

Fedwire Funds is a real-time, gross settlement wire transfer system that is used to send and receive time-sensitive payments for HNB, or on behalf of HNB customers. Payments are continuously settled on an individual, order-by-order basis without netting.

Fedwire Securities is a national securities book-entry system that conducts real-time transfers of securities and related funds, on an individual and gross basis. The system conducts issuance, transfer and settlement for all marketable Treasury securities, for many federal government agencies and government-sponsored enterprise securities and for certain international organizations' securities.

FedACH Services is an electronic payment system providing automated clearing house (ACH) services. The ACH system exchanges batched debit and credit payments among business, consumer, and government accounts. The system processes pre-authorized recurring and non-recurring payments.

Federal Reserve National Settlement allows participants in clearing arrangements to exchange and settle transactions on a multilateral basis through designated master accounts held at the Fed.

Federal Reserve Check Clearing plays a material role as the intermediary institution involved with the clearing and settlement of interbank payments. This network processes checks drawn on banks that are not members of a local or private sector clearinghouse.

### **B. The Clearing House**

Each PCS described in this section is operated by The Clearing House (TCH).

HNB uses the Small Value Payments Company (SVPCo) to transmit and settle check images directly with other financial institutions and to distribute checks to other SVPCo members, including through an image payments network that allows financial institutions to exchange images and share best practices.

Electronic Payment Network (EPN) is a system that provides ACH services. It exchanges batched debit and credit payments among business, consumer, and government accounts. The system processes pre-authorized recurring and non-recurring payments. HNB uses this service to facilitate ACH payments and withdrawals on behalf of customers.

Real Time Payment (RTP) is a real time gross settlement wire transfer system, providing instant (within seconds) clearing and settlement of payments to financial institutions of all sizes. RTP payments can be sent daily, including weekends and holidays, and have immediate settlement and fund availability.

## **C. Depository Trust and Clearing Corporation (DTCC)**

DTCC is a central securities depository providing depository and book-entry services for eligible securities and other financial assets to its participants, which are principally banks and broker-dealers. Through its subsidiaries, DTCC provides clearing, settlement, and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments, and OTC derivatives. HNB uses three DTCC PCS, the Depository Trust Company (DTC), National Securities Clearing Corporation (NSCC), and Fixed Income Clearing Corporation (FICC). HNB uses DTC and NSCC services to provide clearing and settlement for investment and institutional sales transactions, and FICC for centrally-cleared U.S. Treasury and Agency MBS repo.

DTC provides clearing and settlement efficiencies by immobilizing securities and making book-entry changes to ownership of the securities. It provides securities movements for NSCC's net settlements and settlement for institutional trades (which typically involve money and securities transfers between custodian banks and broker/dealers), as well as money market instruments.

NSCC provides clearing, settlement, risk management, and central counterparty services. It also provides a guarantee of completion for broker-to-broker trades involving equities, corporate and municipal debt, American depository receipts, exchange-traded funds, and unit investment trusts.

FICC is a subsidiary of DTCC. Its Government Securities Division (GSD) provides real-time trade matching, clearing, risk management and netting for trades in U.S. government debt issues, including repurchase agreements or repos.

## **D. MasterCard**

MasterCard is a global payments technology company that connects consumers, businesses, banks, and governments enabling them to use electronic payments instead of cash and checks. HNB uses MasterCard to authorize, clear, and settle all debit and credit card transactions.

## **E. BNY Broker Dealer Clearing (BDC)**

The BDC and Access Edge platform provides a client-centric technology experience for Federal Reserve System securities clearance, settlement, and fund transfers. HNB's Corporate Treasury group uses the PCS for clearing and settlement services.

## **F. Chicago Mercantile Exchange (CME)**

The CME provides clearing and settlement services for futures, options, and over-the-counter (OTC) derivatives products.

## **G. Zelle**

Zelle is a real-time person to person payment platform that enables instant money movement between bank accounts.

## SECTION VII: Foreign Operations

HNB's foreign operations are not material. HNB owns Huntington Bank International, Inc., which is an Edge Corporation. Huntington Bank International, Inc., owns three subsidiaries in Canada, Australia, and New Zealand that provide limited lending-only operations in those jurisdictions.

## SECTION VIII: Material Supervisory Authorities

HNB is a national banking association chartered under U.S. laws and is subject to comprehensive primary supervision, regulation, and examination by the OCC. HNB is also subject to regulation and examination by the FDIC and the Fed with respect to certain matters. It is also subject to supervision, regulation, and examination by the Consumer Financial Protection Bureau (CFPB). HBI, as a bank holding company, is subject to comprehensive consolidated supervision by the Fed.

## SECTION IX: Principal Officers

The following table presents HNB's executive officers as of December 31, 2024.

| Name               | Title   |
|--------------------|---|
| Stephen Steinour   | President and Chief Executive Officer, The Huntington National Bank |
| Amit Dhingra       | Chief Enterprise Payments Officer                                   |
| Marcy Hingst       | General Counsel   |
| Helga Houston      | Chief Risk Officer  |
| Scott Kleinman     | President, Commercial Bank  |
| Kendall Kowalski   | Chief Information Officer   |
| Brendan Lawlor     | Chief Credit Officer  |
| Timothy Miller     | Chief Communication Officer   |
| Prashant Nateri    | Chief Corporate Operations Officer                                  |
| Sarah Pohmer       | Chief Human Resources Officer                                       |
| Brant Standridge   | President, Consumer and Regional Banking                            |
| Michael Van Treese | Chief Auditor   |
| Zachary Wasserman  | Chief Financial Officer   |
| Donnell White      | Chief Inclusion Officer   |

## **SECTION X: Corporate Governance Structure and Resolution Planning Processes**

HNB has a robust and comprehensive governance framework that is governed by the Resolution Planning Policy, which outlines the roles, responsibilities, and objectives related to resolution planning activities.

From a committee perspective, governance is demonstrated through defined roles of committees responsible for resolution planning activities and oversight. The governance hierarchy consists of HNB's Board of Directors, the Board-level ROC, the Executive-level Risk Management Committee (RMC), and the Management-level Recovery and Resolution Planning (RRP) Committee.

The RRP Committee provides management-level oversight over all current and future RRP programs. It is responsible for review and approval of RRP components, development and oversight over RRP policies and procedures, recommendations for approval of RRP documents to the RMC, review and resolution of action items and issues, and escalation of issues to the Executive and Board level committees that have RRP oversight responsibilities.

To support sustainability, management staffed a permanent RRP Office in the Chief Financial Officer's organizational structure whose primary focus is oversight and governance of HNB's RRP programs. The RRP Office also manages the development, implementation, and maintenance of the Resolution Plan.

To provide credible challenge, the RRP Oversight Function within the Chief Risk Officer's Treasury Risk area conducts both independent process evaluations of first line-owned RRP activities and self-assessments of second line-owned RRP oversight activities. To fulfill its responsibilities in overseeing activities and evaluating the adequacy and effectiveness of RRP regulatory submissions, the second line RRP Oversight Function completes evaluations of each essential RRP process, business controls, and supporting documentation to determine the effectiveness of RRP in aggregate. The RRP Oversight Function provides perspective on the planning and development of RRP submission reliant processes, scenarios, and strategies to ensure their adherence to regulatory requirements and changes.

Internal Audit serves as an independent assurance function, ensuring the adequacy of, and compliance with, policies, procedures, and processes established by the RRP Office. Internal Audit provides governance support during the resolution planning process through the execution of an independent end-to-end review over the RRP program.

The CIDI Resolution Plan was reviewed and approved by HNB's Board of Directors.



## **SECTION XI:      Material Management Information Systems**

HNB uses comprehensive management information systems (MIS) intended to provide business units with access to timely and accurate information in the areas of risk management, accounting, finance, operations, and regulatory reporting.

MIS generally takes the form of purchased and internally-developed technologies and user interfaces, along with interface applications used to collect, maintain, and report information internally to Management and externally for regulatory compliance. MIS are also used by business and operational areas to perform daily routines, provide relevant analytics, receive standard reporting, and create ad hoc reporting necessary to manage their business and operations. MIS capabilities are enabled through a centralized data warehouse and comprehensive systems of record used to aggregate and manage operations. MIS are used to generate numerous reports in business as usual environments to monitor the financial health, risks, and operations of both HBI and HNB.

HNB has policies and governance processes in place to ensure that technology infrastructure and computing systems are consistently planned, implemented, secured, supported, and managed. These processes enable the technology organization to meet the information demands of each material entity through continued confidentiality, integrity, and availability to allow for capacity planning, business continuity, and metrics management.

## **SECTION XII: High-Level Description of Identified Strategy**

HNB has identified several resolution strategies that the FDIC could execute in the hypothetical event of HNB's failure. These strategies include (1) a whole bank sale over resolution weekend, (2) establishment of a bridge bank entity, the prompt sale of designated franchise components<sup>4</sup> followed by a sale of the remaining franchise, or (3) establishment of a bridge bank entity, the sale of one or more divestiture options, followed by a sale of the remaining franchise.

- **Whole Bank Sale:** The FDIC, acting as receiver, would negotiate a sale of HNB in its entirety with a third-party buyer through a purchase and assumption transaction during resolution weekend
- **Bridge Bank Strategy:** A new, nationally chartered bridge bank could be created and certain assets and liabilities could be transferred from the FDIC receivership to the bridge bank. The establishment of a bridge bank is followed by the divestiture of assets that HNB believes would be salable on a standalone basis. The bridge bank is managed to maximize value during the stabilization period and eventually sold to a third-party. The key difference between options (2) and (3) above is the size of the bridge bank at the time it is sold, with option (3) involving a broader set of divestitures that would take longer but would result in a smaller bridge bank at the time of its eventual sale to a third-party

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<sup>4</sup> Under the IDI Rule, franchise component means a business segment, regional branch network, major asset, material asset portfolio, or other key component of a CIDI's franchise that can be separated and sold or divested. Franchise components are intended to be currently separable, and marketable in a timely manner in resolution.