

HUNTINGTON BANCSHARES INC/MD

Form 11-K

June 27, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

OR

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

For the transition period from _____ to _____

Commission file number 1-34073

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

FIRSTMERIT CORPORATION AND AFFILIATES EMPLOYEES'

SALARY SAVINGS RETIREMENT PLAN

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

Huntington Bancshares Incorporated

Huntington Center

41 South High Street

Columbus, Ohio 43287

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

FirstMerit Corporation and Affiliates

Employees' Salary Savings Retirement Plan

December 31, 2017 and 2016 and Years Ended December 31, 2017 and 2016

With Report of Independent Registered Public Accounting Firm

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Report of Independent Registered Public Accounting Firm

The Members of the Compensation Committee
Of the Board of Directors of
Huntington Bancshares Incorporated
Columbus, Ohio

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the FirstMerit Corporation and Affiliates Employees' Salary Savings Retirement Plan (the "Plan") as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes (collectively, the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter - Plan Termination and Use of Liquidation Basis of Accounting

As further discussed in Notes 1 and 2 to the financial statements, those charged with governance made a decision to terminate the FirstMerit Corporation and Affiliates Employees' Salary Savings Retirement Plan, upon the merger of FirstMerit Corporation with Huntington Bancshares Incorporated. As a result, in accordance with accounting principles generally accepted in the United States of America, the FirstMerit Corporation and Affiliates Employees' Salary Savings Retirement Plan has used the liquidation basis of accounting in presenting the 2017 and 2016 financial statements. Our opinion is not modified with respect to this matter.

Supplemental Information

The supplemental information in the accompanying Schedule of Assets (Held at End of Year) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial

statements but included supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ BDO USA LLP

We have served as the Plan's auditor since 2015.

Pittsburgh, PA

June 27, 2018

FirstMerit Corporation and Affiliates

Employees' Salary Savings Retirement Plan

Statements of Net Assets Available for Benefits

(In Liquidation)

December 31,

2017 2016

Assets

Investments, at fair value:

Cash	\$3,016	\$9,375
Mutual funds	163,126,422	180,507,595
Common stock	36,416,103	44,139,465
Collective trust funds	48,772,232	54,489,840
Total investments	248,317,773	279,146,275

Receivables:

Notes receivable from participants	2,615,972	6,108,006
Total receivables	2,615,972	6,108,006

Net assets available for benefits \$250,933,745 \$285,254,281

See accompanying notes to financial statements.

FirstMerit Corporation and Affiliates

Employees' Salary Savings Retirement Plan

Statements of Changes in Net Assets Available for Benefits

(In Liquidation)
Year Ended December 31,
2017 2016

Additions

Investment income:

Interest and dividends	\$8,255,937	\$7,190,793
Net appreciation of investments	27,928,287	34,015,370
Total investment income	36,184,224	41,206,163

Interest income on notes receivable from participants	142,740	210,883
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Contributions:

Employee contributions	—	9,763,467
Employer contributions	—	5,367,258
Rollovers from participants	—	436,724
Total contributions	—	15,567,449

Total additions	36,326,964	56,984,495
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Deductions

Benefits paid to participants	70,568,597	60,121,352
Administrative expenses	78,903	66,458
Total deductions	70,647,500	60,187,810

Net decrease	(34,320,536)	(3,203,315)
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Net assets available for benefits at beginning of year	285,254,281	288,457,596
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Net assets available for benefits at end of year	\$250,933,745	\$285,254,281
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See accompanying notes to financial statements.

FirstMerit Corporation and Affiliates
Employees' Salary Savings Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

1. Description of the Plan

The following description of the FirstMerit Corporation and Affiliates Employees' Salary Savings Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established as a defined contribution plan as of October 1, 1985, covering all eligible employees of FirstMerit Corporation (FirstMerit or the Corporation) who have elected to participate. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Plan Termination

On January 26, 2016, FirstMerit and Huntington Bancshares Incorporated (Huntington) announced the signing of a definitive merger agreement (Merger Agreement). The merger was completed on August 16, 2016.

Per the terms of the Merger Agreement, the FirstMerit Board of Directors adopted a resolution effective August 15, 2016 to terminate the Plan. Effective with the Plan's termination, all participants with an account balance remaining in the Plan became fully vested in all contribution sources, regardless of status or years of vested service. The Plan's termination also ceased employee and employer contributions into the Plan and ceased new participant notes receivable from the Plan. Existing FirstMerit employees who became Huntington employees were eligible to participate in the Huntington Investment and Tax Savings Plan on August 16, 2016.

Contributions

Prior to the Plan's termination, eligible employees could enter the Plan on the January 1, April 1, July 1, or October 1 coinciding with or first following their completion of a period of service (as defined in the Plan Agreement) of at least three months and attainment of age twenty-one. A participant could contribute from 1% to 50% of their compensation to the Plan. Such contributions are known as voluntary pretax employee contributions. Voluntary pretax contributions and earnings are made directly to each participant's Employee Contribution Stock Ownership Plan (ESOP) account and are immediately vested and nonforfeitable.

Prior to the Plan's termination, the Plan made matching contributions equal to a certain percentage or amount of each participant's voluntary pretax employee contributions. Effective January 1, 2013, the Corporation's matching contribution to the Plan was 100% on the first 3% and then 50% on the next 2% of the employee's qualifying salary. Matching contributions were made in FirstMerit common stock purchased on the open market by the trustee, on a no-commission, no-fee basis, at a price equal to the immediate asked price of such shares on the NASDAQ on the date of purchase. After a participant's six month anniversary from date of hire, the participant could elect to transfer up to 100% of the FirstMerit common stock held to one or more of the other available investment options. FirstMerit made no

FirstMerit Corporation and Affiliates
Employees' Salary Savings Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

matching contributions during the year ended December 31, 2017 and \$4,481,577 of matching contributions to the Plan during the year ended December 31, 2016.

Effective January 1, 2013 the Corporation provided, for a five-year period, a transition contribution equal to 3% of an employee's qualifying salary to all eligible pension plan participants that had earned 60 age-plus-service points as of December 31, 2012. There were no transition contributions for the year ended December 31, 2017. The transition contribution totaled \$1,176,409 for the year ended December 31, 2016.

Participant Accounts

The Plan trustee contracted custodial and recordkeeping services of Charles Schwab to maintain separate accounts for each participant. Each account was credited with the participant's contribution and allocations of the Corporation's contributions and Plan earnings. Prior to the termination, the Plan provided for each participant the ability to invest in one or more investment options (Investment Funds).

Payment of Benefits

Upon termination of a participant's employment, including termination by reason of death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her accounts, or regular installments over any period not exceeding ten years.

In-service withdrawals are available in certain limited circumstances, as defined by the Plan. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated by the Internal Revenue Service (IRS) and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

Notes Receivable from Participants

Prior to the Plan's termination, participants were permitted to borrow from their participant account. The loans were secured by the balance in the participant's account at an interest rate determined by the Plan administrator, as discussed below.

Participants were permitted to borrow from their accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, but not less than \$1,000. Loan terms ranged from one to five years or up to 20 years for the purchase of a primary residence. The \$50,000 limit was reduced by the participant's highest outstanding loan balance during the preceding 12-month period. A participant may not have more than four loans outstanding at any point in time. The loans bear interest at 1% over the five-year U.S. Treasury Note in effect on the next to the last business day of the month prior to the month in which the loan application is received by the Plan. Principal and interest were paid ratably through payroll deductions via an amortization schedule established at the frequency of the payroll cycle. If a participant terminates employment with the Company, they were given the option to repay the entire amount of the outstanding loan, plus accrued interest. If the loan was not repaid, it will automatically be treated as a distribution to the participant. Effective August 15, 2016, the Plan ceased new participant notes receivable from the Plan.

FirstMerit Corporation and Affiliates
Employees' Salary Savings Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

Administrative Expenses

All administrative expenses were paid by the Plan during the years ended December 31, 2017 and 2016. Plan administrative expenses, to the extent not paid by FirstMerit, are charged and paid from Plan assets as incurred. The Plan permits application of forfeited assets to pay Plan administrative expenses.

Vesting (prior to termination)

Prior to the Plan's termination, a participants' interest in their matching contribution, employee post-tax, employee rollover, pre-merger employer, employer transfer, employee contribution ESOP, matching contribution ESOP, and supplemental retirement ESOP accounts are 100% vested and nonforfeitable. A participants' interest in their profit sharing contribution ESOP account is considered vested after five years of service. For participants employed on and after January 1, 2007, vesting for the profit sharing contribution ESOP account is after three years of service.

Forfeitures

Effective October 1, 2010, the Plan was amended to allow forfeitures to be used as soon as is administratively practicable, but not later than the end of the year following the Plan year in which the forfeitures occur, to reduce the administrative expenses of the Plan, then to reduce subsequent employer contributions made to the Plan. At December 31, 2017 and 2016 forfeited nonvested accounts totaled \$28,428 and \$5,520, respectively. These accounts were used to reduce employer contributions. For the year ended December 31, 2017, there were no employer contributions reduced from forfeited nonvested accounts. For the year ended December 31, 2016, employer contributions were reduced by \$290,728 from forfeited nonvested accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the liquidation basis of accounting in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Effective August 15, 2016, the FirstMerit Board of Directors adopted a resolution to terminate the Plan. As a result, the Plan's financial statements as of December 31, 2017 and December 31, 2016, for the year ended December 31, 2017, and for the period of August 15, 2016 through December 31, 2016 have been prepared on the liquidation basis, in accordance with U.S. GAAP. This basis of accounting is considered appropriate when, among other things, liquidation of an entity is probable and the net realizable value of assets are reasonably determinable. Under the liquidation basis of accounting, assets are stated at their estimated net realized cash value and liabilities are stated at their anticipated settlement amounts. The estimated net realizable cash value for investments as of December 31, 2017 and 2016 would be equivalent to fair value.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

FirstMerit Corporation and Affiliates
Employees' Salary Savings Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for further discussion and disclosure related to fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/(depreciation) includes the Plan's gains and losses on investments bought and sold as well as those investments held during the year. Additionally, net appreciation/(depreciation) includes the increase in value resulting from the conversion of FirstMerit Common Stock to Huntington Common Stock under the terms of the Merger Agreement.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. No allowance for credit losses has been recorded as of December 31, 2017 or 2016. Delinquent participant notes are reclassified as distributions based upon the terms of the Plan document. Effective August 15, 2016, the Plan ceased new participant notes receivable from the Plan.

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

In preparing these financial statements, subsequent events were evaluated through the time the financial statements were available to be issued. In compliance with applicable accounting standards, all material subsequent events have been either recognized in the financial statements or disclosed in the notes to the financial statements.

FirstMerit Corporation and Affiliates
 Employees' Salary Savings Retirement Plan
 Notes to Financial Statements
 December 31, 2017 and 2016

3. Non-participant Directed Investments

Investments in common stock were either participant directed or non-participant directed. Information about the net assets and the significant components of changes in net assets related to the common stock investment are as follows:

	December 31,	
	2017	2016
Common stock, at fair value	\$36,416,103	\$44,139,465
	For the year ended December 31,	
	2017	2016
Change in net assets:		
Contributions	\$—	\$2,727,785
Dividends and capital gains	925,925	857,004
Interest income on participant loans	13,552	18,629
Net realized and unrealized appreciation in fair value	3,424,625	18,127,200 (a)
Benefits paid to participants	(10,677,900)	(5,831,732)
Net loan principal repayments	169,642	223,650
Net transfers out	(1,579,206)	(8,013,772)
Administrative expenses	—	(707)
Net (decrease)/increase in common stock	\$(7,723,362)	\$8,108,057

(a) Pursuant to the Merger Agreement, all outstanding shares of FirstMerit Corporation common stock were exchanged for Huntington Bancshares, Inc. common stock and cash as of the effective time of the Merger and as provided in the terms of the Merger Agreement, including shares of FirstMerit common stock held in the Plan. Accordingly as of such date, the Plan's holdings of FirstMerit common shares were converted to shares of Huntington Bancshares, Inc. and cash. The resulting cash portion of \$9.2 million is reflected in net realized and unrealized appreciation in fair value.

4. Fair Value Measurements

Accounting Standards Codification 820, Fair Value Measurements and Disclosures (ASC 820), provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1 — Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 — Valuations based on quoted prices for similar assets and liabilities traded in active markets; quoted prices for identical or similar instruments in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived from or corroborated by observable market data by correlation or other means.
- Level 3 — Valuations based on unobservable inputs which are significant to the fair value measurement.

FirstMerit Corporation and Affiliates
Employees' Salary Savings Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

The level in the fair value hierarchy ascribed to a fair value measurement in its entirety is based on the lowest level input that is significant to the overall fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Cash: Money market funds are valued at the closing price reported by the fund sponsor from an actively traded exchange. These are included within cash and cash equivalents as Level 1 measurements in the table below.

Mutual funds: Valued at quoted prices as reported on the active market in which the mutual funds are traded.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Collective trust funds - stable value fund: A stable value fund is composed primarily of fully benefit-responsive investment contracts that is valued at the net asset value (NAV) of units of the bank collective trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the issuer reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner.

Collective trust funds - target date and target income funds: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that the securities liquidations will be carried out in an orderly business manner.

Although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

FirstMerit Corporation and Affiliates
 Employees' Salary Savings Retirement Plan
 Notes to Financial Statements
 December 31, 2017 and 2016

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value.

Assets at Fair Value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Cash	\$3,016	\$	—	—\$3,016
Mutual funds	163,126,422	—	—	163,126,422
Common stock	36,416,103	—	—	36,416,103
Total assets in the fair value hierarchy	199,545,541	—	—	199,545,541
Investments measured at net assets value ^(a)				48,772,232
Total investments at fair value	\$199,545,541	\$	—	—\$248,317,773
Assets at Fair Value as of December 31, 2016				
	Level 1	Level 2	Level 3	Total
Cash	\$9,375	\$	—	—\$9,375
Mutual funds	180,507,595	—	—	180,507,595
Common stock	44,139,465	—	—	44,139,465
Total assets in the fair value hierarchy	224,656,435	—	—	224,656,435
Investments measured at net assets value ^(a)				54,489,840
Total investments at fair value	\$224,656,435	\$	—	—\$279,146,275

In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are ^(a)intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy during the years ended December 31, 2017 and 2016. There have been no transfers in or out of Level 3 of the fair value hierarchy during the years ended December 31, 2017 and 2016.

FirstMerit Corporation and Affiliates
Employees' Salary Savings Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

The following table summarizes investments measured at fair value based on net asset value per share as of December 31, 2017 and 2016.

Collective Trust Funds

December 31, 2017

	Fair Value	Unfunded Commitments	Redemption Notice Period
Stable value fund			
Federated Capital Preservation Fund IP	(a) \$17,037,230	n/a	1 year
Target date and target income funds			
Schwab Managed Retirement Trust 2010 CL III	(b) 553,612	n/a	n/a
Schwab Managed Retirement Trust 2015 CL III	(b) 1,416,352	n/a	n/a
Schwab Managed Retirement Trust 2020 CL III	(b) 4,031,071	n/a	n/a
Schwab Managed Retirement Trust 2025 CL III	(b) 6,592,179	n/a	n/a
Schwab Managed Retirement Trust 2030 CL III	(b) 4,962,754	n/a	n/a
Schwab Managed Retirement Trust 2035 CL III	(b) 3,648,900	n/a	n/a
Schwab Managed Retirement Trust 2040 CL III	(b) 4,114,973	n/a	n/a
Schwab Managed Retirement Trust 2045 CL III	(b) 2,997,993	n/a	n/a
Schwab Managed Retirement Trust 2050 CL III	(b) 1,492,122	n/a	n/a
Schwab Managed Retirement Trust 2055 CL III	(b) 1,402,929	n/a	n/a
Schwab Managed Retirement Trust Income III	(c) 522,117	n/a	n/a

Collective Trust Funds

December 31, 2016

	Fair Value	Unfunded Commitments	Redemption Notice Period
Stable value fund			
Federated Capital Preservation Fund IP	(a) \$21,774,039	n/a	1 year
Target date and target income funds			
Schwab Managed Retirement Trust 2010 CL III	(b) 589,235	n/a	n/a
Schwab Managed Retirement Trust 2015 CL III	(b) 1,964,835	n/a	n/a
Schwab Managed Retirement Trust 2020 CL III	(b) 5,098,722	n/a	n/a
Schwab Managed Retirement Trust 2025 CL III	(b) 7,352,646	n/a	n/a
Schwab Managed Retirement Trust 2030 CL III	(b) 4,647,663	n/a	n/a
Schwab Managed Retirement Trust 2035 CL III	(b) 3,672,300	n/a	n/a
Schwab Managed Retirement Trust 2040 CL III	(b) 3,387,043	n/a	n/a
Schwab Managed Retirement Trust 2045 CL III	(b) 3,196,083	n/a	n/a
Schwab Managed Retirement Trust 2050 CL III	(b) 1,375,619	n/a	n/a
Schwab Managed Retirement Trust 2055 CL III	(b) 958,657	n/a	n/a
Schwab Managed Retirement Trust Income III	(c) 472,998	n/a	n/a

The investment objective of the fund is stability of principal and current income. To accomplish this objective, the

(a) fund invests primarily in stable value products, such as guaranteed investment contracts (GIC's) (also known as traditional GIC's), separate account GIC's, and synthetic GIC's and money market instruments

(b) Seeks to provide capital appreciation and income consistent with its current asset allocations

(c) Seeks to provide total return for investors near or in retirement.

FirstMerit Corporation and Affiliates
Employees' Salary Savings Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

5. Party-in-Interest Transactions

Prior to the merger, transactions involving notes receivable from participants and common stock of First Merit, the Plan Sponsor and trustee, were considered party-in-interest transactions. In addition, following the Merger, transactions involving common stock of Huntington Bancshares, Inc are considered party-in-interest transactions. These transactions are not, however, considered prohibited transactions under ERISA regulations.

6. Risks and Uncertainties

The Plan holds investments in various investment securities. The Plan generates a significant portion of its earnings from investments in domestic and international mutual funds, collective trust funds, and common stock of FirstMerit, prior to the Merger. Following the merger, Huntington Bancshares, Inc. common stock represents a significant concentration of the Plan's total investments. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

7. Tax Status

The Plan has received a determination letter from the IRS dated September 16, 2014 stating that the Plan is qualified under Section 401(a) of the IRS Code (the Code) and, therefore, the related trust is exempt from taxation. This determination letter is applicable for amendments to the Plan through 2013. On April 6, 2018, the Plan responded to the IRS in relation to the application to the IRS for a determination of the Plan's continued qualified status as of the Plan's termination. Such application remains outstanding as of the date of this report.

The Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor believes the Plan is being operated in compliance with applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Sponsor has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

FirstMerit Corporation and Affiliates
 Employees' Salary Savings Retirement Plan
 Notes to Financial Statements
 December 31, 2017 and 2016

8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the change in net assets available for benefits as reported in the Plan's financial statements to the Form 5500 for the years ended December 31, 2017 and 2016.

	Year Ended December 31,	
	2017	2016
Net decrease as reported in the Plan's financial statements	\$(34,320,536)	\$(3,203,315)
Adjustments from contract value to fair value for fully benefit-responsive investment contracts	—	43,845
Net decrease as reported in the Form 5500 (a)	\$(34,320,536)	\$(3,159,470)
(a) As of June 27, 2018, the Plan's Form 5500 for the year ended December 31, 2017 had not yet been filed. 2017 amounts are reconciled to a draft Form 5500.		

Supplemental Schedule

15

FirstMerit Corporation and Affiliates
 Employees' Salary Savings Retirement Plan
 EIN: 34-1339938 Plan Number: 002
 Schedule H, Line 4i — Schedule of Assets
 (Held at End of Year)
 December 31, 2017

(a) Borrower, Lessor, or Similar Party	(b) Identity of Issuer,	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
CASH:				
Federated Government Obligations Fund		Federated Government Obligations Fund Institutional Shares	\$	—\$3,016
Total cash				3,016
COLLECTIVE TRUSTS				
FUNDS:				
* Schwab Managed Retirement Trust 2010 CL III		Schwab Managed Retirement Trust 2010 CL III - 22,432 shares	—	553,612
* Schwab Managed Retirement Trust 2015 CL III		Schwab Managed Retirement Trust 2015 CL III - 894,473 shares	—	1,416,352
* Schwab Managed Retirement Trust 2020 CL III		Schwab Managed Retirement Trust 2020 CL III - 141,144 shares	—	4,031,071
* Schwab Managed Retirement Trust 2025 CL III		Schwab Managed Retirement Trust 2025 CL III - 382,377 shares	—	6,592,179
* Schwab Managed Retirement Trust 2030 CL III		Schwab Managed Retirement Trust 2030 CL III - 152,278 shares	—	4,962,754
* Schwab Managed Retirement Trust 2035 CL III		Schwab Managed Retirement Trust 2035 CL III - 199,502 shares	—	3,648,900
* Schwab Managed Retirement Trust 2040 CL III		Schwab Managed Retirement Trust 2040 CL III - 118,111 shares	—	4,114,973
* Schwab Managed Retirement Trust 2045 CL III		Schwab Managed Retirement Trust 2045 CL III - 165,635 shares	—	2,997,993
* Schwab Managed Retirement Trust 2050 CL III		Schwab Managed Retirement Trust 2050 CL III - 78,615 shares	—	1,492,122
* Schwab Managed Retirement Trust 2055 CL III		Schwab Managed Retirement Trust 2055 CL III - 76,081 shares	—	1,402,929
* Schwab Managed Retirement Trust Income III		Schwab Managed Retirement Trust Income III - 29,007 shares	—	522,117
Federated Capital Preservation Fund IP		Federated Capital Preservation Fund IP - 1,703,723 shares	—	17,037,230
Total collective trust funds				48,772,232
MUTUAL FUNDS:				
American Funds AMCAP Fund		American Funds AMCAP Fund - 1,122,649 shares	—	35,037,872
Columbia Small Cap Index R5		Columbia Small Cap Index R5 - 145,516 shares	—	3,691,734
DFA US Target Value Fund		DFA US Target Value Fund - 597,147 shares	—	14,779,376
EuroPacific Growth Fund		EuroPacific Growth Fund - 314,599 shares	—	17,645,830
Loomis Sayles Bond Fund		Loomis Sayles Bond Fund - 169,207 shares	—	2,328,286
PIMCO Total Return Fund Institutional		PIMCO Total Return Fund Institutional - 1,446,857 shares	—	14,859,223
* Schwab S&P 500 Index Fund		Schwab S&P 500 Index Fund - 629,834 shares	—	25,942,844
		Invesco Diversified Dividend Fund - 855,644 shares	—	17,420,913

Invesco Diversified Dividend Fund			
T. Rowe Price Small-Cap Stock Fund	T. Rowe Price Small-Cap Stock Fund - 297,023 shares	—	14,167,974
Vanguard Total Stock Market Index Admiral	Vanguard Total Stock Market Index Admiral - 126,668 shares	—	8,451,278
Vanguard Total Bond Market Index Admiral	Vanguard Total Bond Market Index Admiral - 227,841 shares	—	2,449,295
Vanguard Total International Stock Index Admiral	Vanguard Total International Stock Index Admiral - 109,230 shares	—	3,333,712
Vanguard REIT Index Admiral	Vanguard REIT Index Admiral - 9,539 shares	—	1,121,295
Vanguard Emerging Markets Stock Fund	Vanguard Emerging Markets Stock Fund - 49,680 shares	—	1,896,790
Total mutual funds			163,126,422
COMMON STOCK:			
* Huntington Bancshares, Inc.	Huntington Bancshares, Inc. common stock - 2,501,106 shares	30,921,548	36,416,103
Total common stock		30,921,548	36,416,103
* Loans to Participants	Participant Loans — at various interest rates ranging from 1.68% — 6.85% with various maturity dates	—	2,615,972
TOTAL		30,921,548	\$250,933,745
* Indicates party-in-interest to the Plan			

Cost information is disclosed for Huntington Bancshares, Inc. common stock since investment can be either participant or non-participant directed. Cost information is not disclosed for all other investments since they are solely participant directed.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

FirstMerit Corporation
and Affiliates Employees'
Salary Savings
Retirement Plan

By: /s/ Howell D.
McCullough
Howell D.
McCullough
Sr. Executive
Vice
President and
Chief
Financial
Officer
Huntington
Bancshares
Incorporated

Date: June 27, 2018

Exhibit Index

Exhibit
NumberExhibit

23.1 Consent of BDO USA, LLP, Independent Registered Public Accounting Firm, dated June 27, 2018

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