



Comptroller of the Currency
Administrator of National Banks

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

January 11, 2006

CRA Decision #133
February 2006

Mr. Richard K. Kim
Wachtell, Lipton, Rosen & Kutz
51 West 52nd Street
New York, New York 10019-6150

Re: Application filed by Huntington National Bank, Columbus, Ohio to merge with Unizan National Bank, Canton, Ohio and Unizan Financial Services Group, National Association, Canton, Ohio
OCC Application Number: 2005-CE-02-0033

Dear Mr. Kim:

This is to inform you that on January 11, 2006 the Office of the Comptroller of the Currency (“OCC”) approved the merger of Unizan National Bank (“Unizan”), Canton, Ohio and Unizan Financial Services Group, National Association, Canton, Ohio with Huntington National Bank (“Huntington Bank”), Columbus, Ohio, under the charter and title of the latter.¹ This approval is granted based on a thorough review of all information available, including commitments and representations made in the application and the merger agreement and those of your representatives.

The OCC reviewed the proposed transaction under the criteria of the Bank Merger Act, 12 U.S.C. § 1828(c), and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. The OCC considered the financial and managerial resources of the banks, their future prospects, and the convenience and needs of the communities to be served. In addition, the Bank Merger Act requires the OCC to consider “. . . the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities, including in overseas branches.” 12 U.S.C. § 1828(c)(11). We considered these factors and found them consistent with approval under the statutory provisions.²

¹ Huntington Bank is a wholly owned subsidiary of Huntington Bancshares Inc. (“Huntington Bancshares”).

² The Federal Reserve Bank of Cleveland and the Board of Governors of the Federal Reserve System received comments from one community organization on the related holding company application expressing concern that Huntington Bank plans to close or consolidate branches. Huntington Bancshares has represented that while no final determination has been made, preliminary analysis indicates that nine branches are likely to be closed or consolidated due to their close proximity to another branch. None of these branches are located in a low- or

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The Community Reinvestment Act (“CRA”) requires the OCC to take into account the applicants’ records of helping to meet the credit needs of the community, including low- and moderate-income (“LMI”) neighborhoods, when evaluating certain applications, including merger transactions that are subject to the Bank Merger Act. 12 U.S.C. § 2903; 12 C.F.R. § 25.29. The OCC considers the CRA performance evaluation of each institution involved in the transaction.³ A review of the record of these applicants and other information available to the OCC as a result of its regulatory responsibilities revealed no evidence that the applicants’ records of helping to meet the credit needs of their communities, including LMI neighborhoods, are less than satisfactory.

Huntington Bank’s latest CRA Performance Evaluation (“PE”), dated March 31, 2003, and issued by the OCC, assigned a “Satisfactory” rating. The PE favorably noted Huntington Bank’s volume of home mortgage loans and small loans to businesses, distribution of loans to borrowers of different income levels, volume of community development loans, level of qualified investments benefiting its assessment areas, and level of community development services. The OCC found no evidence of illegal discrimination or other illegal credit practices.

Unizan’s latest CRA PE dated October 29, 2001, and issued by the OCC, assigned a “Satisfactory” rating.⁴ The PE disclosed that the bank had good borrower distribution for home mortgage loans and adequate distribution for small loans to businesses. The PE also noted the positive impact of the bank’s community development lending, and the good level of qualified investments. With respect to fair lending, the PE indicated that an analysis of the most recent Home Mortgage Disclosure Act (“HMDA”), small business, and small farm lending data, public comments, and consumer complaint information revealed no fair lending risk factors requiring further investigation.

moderate-income area. Further, Huntington Bancshares represented that any branch closures will be in accordance with applicable regulations. Huntington Bank is required to adhere to the Federal Deposit Insurance Act and the agencies’ Joint Policy Statement Regarding Branch Closings. *See* 12 U.S.C. § 1831r-1; 64 Fed. Reg. 34,844 (1999). Additionally, any branch closures resulting from this merger will be considered in the merged bank’s next Community Reinvestment Act examination.

³ Unizan Financial Services Group, National Association, an uninsured national trust bank, is not subject to the CRA.

⁴ The PE was issued under the name United National Bank and Trust Company. In March 2002, United National Bank and Trust Company merged with The First National Bank of Zanesville to form Unizan National Bank and Trust Company. The OCC assigned The First National Bank of Zanesville a “Satisfactory” CRA performance rating at its last evaluation dated December 8, 1998.

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While the OCC did not receive any public comments on this application, the OCC considered the comments submitted by a community organization to the Federal Reserve Bank of Cleveland and the Board of Governors of the Federal Reserve System in connection with the related bank

holding company application of Huntington Bancshares. Using 2004 HMDA data, the commenter expressed concern with Huntington Bank's percentage of denied and higher-priced loans for minorities when compared to those for whites.⁵

Huntington Bancshares represented that it has a comprehensive and effective fair lending program, which includes testing to detect pricing, redlining, or underwriting issues. In addition, Huntington Bancshares represented that a manager reviews all denials and that underwriters perform a further review for denials of loans to minorities, females, or for loans in LMI census tracts or to LMI borrowers to ensure uniform application of underwriting standards. Huntington Bancshares indicated that Huntington Bank prices its home mortgage loans based on a borrower's credit history, collateral type, loan-to-value ratio, and term of the loan. Huntington Bancshares also noted that it uses a computer-based training and testing module for its employees annually. Finally, Huntington Bank's application states that its community development corporation has been active in investing in affordable housing developments for the LMI community and that the bank has developed flexible mortgage and home improvement products to assist this community.

In sum, the OCC determined that the applicants' records of performance under the CRA were consistent with approval.

As a reminder, the Central District Office must be advised in writing in advance of the desired effective date for the merger, so it may issue the necessary certification letter. The effective date must follow the applicable Department of Justice's injunction period and any other required regulatory approval.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

⁵ It is important to note that HMDA data alone are not adequate to provide a basis for concluding that a bank is engaged in lending discrimination or in indicating whether its level of lending is sufficient. HMDA data do not take into consideration borrower creditworthiness, housing prices, and other factors relevant in each of the individual markets, nor do they fully reflect the range of a bank's lending activities or efforts. Nevertheless, denial and pricing disparities are of concern to the OCC and are evaluated in fair lending examinations. The OCC has carefully examined the 2004 HMDA data for national banks and their subsidiaries, including Huntington Bank, and has incorporated the results of the analysis into the OCC's supervisory strategy for upcoming fair lending examinations.

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This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have questions, please contact the undersigned or Senior Licensing Analyst Carolina M. Ledesma at (312) 360-8867.

Sincerely,

/s/ David J. Rogers

David J. Rogers

National Bank Examiner

Director for District Licensing

Enclosure: Survey Letter