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Jun. 30, 2013

When Steve Steinour took over as CEO of Ohio-based Huntington Bancshares four years ago, he found himself in the middle of a banking crisis so severe that there were worries about whether the bank founded in 1866 by Pelatiah Webster Huntington would survive.

Like other banks, Huntington was absorbing losses from bad mortgages. At the same time, the nation's economy was tanking during the worst recession since the Great Depression.

Today, it's a much different story. The bank is making record profits, and its stock price is at a four-year high.

But the approach Steinour, 54, the former CEO of Citizens Financial Group in Rhode Island, and the bank took to getting back on track was far different from other banks.

Rather than imposing more fees on customers and shutting down operations, the bank did the opposite. It has struck deals to add branch offices in Giant Eagle stores in Ohio and Meijer stores in Michigan, it expanded small-business lending throughout its Midwest footprint and has become more customer-friendly with its fee-free, no-contingency checking accounts and 24-hour grace period to cover an overdraft before imposing a fee.

Because of the turnaround, American Banker magazine named Steinour its Banker of the Year for 2012. The bank also was selected No. 1 in customer service in the Ohio, Indiana, Kentucky, Michigan and West Virginia region, according to the J.D. Power &

Associates annual survey of overall customer satisfaction with banks. It is the first

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dedicated colleagues who show up every day and they bring total ideas, they bring great commitment.

Q: What about the J.D. Power & Associates ranking?

A: Those are big deals when you get 12,000 people working together in a complicated environment that has a lot of regulatory change and other operating stress. To come through that with these sorts of awards I think is remarkable, and so we're very proud of our colleagues and so very pleased. These are things you can't buy.

Q: Where are we with the economy these days, especially here in Ohio and in Huntington's Midwest footprint?

A: There are expectations that the second half will be better than the first, which we share. Next year and the following year should be good years. This brinkmanship, this inability for the (political) parties to get together and find common ground, is restraining what otherwise would be a robust expansion.

Q: After the steep recession and all the problems with many banks through the recession, the banking industry has been hit with plenty of new regulations. Have regulators gone too far or are you comfortable with it?

A: There are aspects of this that have gone too far. There was needed change, to be sure. It's like anything: You get a severe moment and the possibility to overcorrect is more likely. I think it will drift back into a normal zone in due course.

Q: The super-low interest rates that we've had for the past couple of years have been mostly good for borrowers and not so good for savers.

A: Terrible for savers, terrible for retirees. This is an unintended consequence. There's been a massive transfer of wealth from elderly to business and some other sectors.

Q: When you took the job at Huntington, times were tough. Was there ever a time

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A: The board, to be sure, has had enormous impact. Our board made some very difficult decisions in 2009, allowing us to invest in the businesses. Many companies were cutting expenses in '09 and 2010. We thought it was a moment to go on offense, if you will. We had some significant losses to absorb. ... It took a lot of courage in 2009 when we did our strategic plan to say we're going to, say, invest \$75 million in rebranding our branches, we're going to add hundreds of business and commercial bankers (when) everybody else was cutting. We believed in the Midwest ... The whole notion of fair play allows us to have a deeper relationship with our customers, more products, more services. They feel better about us and the value we bring, the quality of what we do.

Q: You've also expanded operations in Michigan by buying the defunct Fidelity Bank in Dearborn and adding branches in Meijer stores there. What do you see in Michigan, a state that has had its share of tough times?

A: Michigan has gone through a couple of decades of challenges, in the auto industry in particular. ... Again, this is a contrarian moment. Rick Snider, the governor of Michigan, we thought would be a fabulous leader. He doesn't care who gets credit. He is the unlikeliest politician I've every met. He's very interested in driving an agenda of change. Michigan has great resources. ... We were already positioned in Michigan. That gave us confidence in Michigan. Our Giant Eagle in-store initiative was an opportunity to explain to Meijer what an in-store partner could do to bring value, not just having another service for them. Our bank customers buy more and shop more at Giant Eagle than their average customer that doesn't have a relationship with us. The same will be true at Meijer.

Q: One thing shareholders are always concerned about is the quarterly dividend. The bank has been able to raise it back to a nickel per share. Do you ever see the day when

you get the dividend to the 26 cents it used to be, or will the regulations on capital

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shareholders just means that it's a bigger hill to climb.

**Q:** What's next in Huntington's growth strategy?

**A:** We have to do more with our existing customers. We have a credit card coming in the next quarter for consumers. We want to deepen our relationships.

**Q:** The bank just lost its CFO (Don Kimble) to KeyCorp. What does that do to the leadership of the bank?

**A:** Not a lot. He's a great guy and he really was helpful to us. I see it also as an opportunity. In 2009, it would have been hard for us to recruit a top talent ... with the challenges we had. We don't have those now. I'm quite optimistic. I didn't care to lose him. He'll do a good job for Key as he did for us.

**Q:** With the turnaround that Huntington has had since you've been here, have any banks tried to steal you away?

**A:** We are thrilled to be living in Columbus. Our family considers it home. I hope whenever the board says my time's up it's with a retirement move on my part from Huntington.

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