

# Capital Update

May 20, 2009



# Basis of Presentation

## Use of non-GAAP financial measures

*This presentation contains GAAP financial measures and non-GAAP financial measures where management believes it to be helpful in understanding Huntington's results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in the current quarter earnings release, this presentation, in the Quarterly Financial Review supplement to the current quarter earnings release, or 8-K related to the filed 4/21/09 earnings press release, which can be found on Huntington's website at [huntington-ir.com](http://huntington-ir.com)*

## Annualized data

*Certain returns, yields, performance ratios, or growth rates for a quarter are "annualized" in this presentation to represent an annual time period. This is done for analytical and decision-making purposes to better discern underlying performance trends when compared to full-year or year-over-year amounts. For example, loan growth rates are most often expressed in terms of an annual rate like 8%. As such, a 2% growth rate for a quarter would represent an annualized 8% growth rate.*

## Fully taxable equivalent interest income and net interest margin

*Income from tax-exempt earning assets is increased by an amount equivalent to the taxes that would have been paid if this income had been taxable at statutory rates. This adjustment puts all earning assets, most notably tax-exempt municipal securities and certain lease assets, on a common basis that facilitates comparison of results to results of competitors.*

## Rounding

*Please note that columns of data in the following slides may not add due to rounding.*

## NM or nm

*Percent changes of 100% or more are typically shown as "nm" or "not meaningful" unless required. Such large percent changes typically reflect the impact of unusual or particularly volatile items within the measured periods. Since the primary purpose of showing a percent change is for discerning underlying performance trends, such large percent changes are typically "not meaningful" for trend analysis purposes.*

# Forward Looking Statements

*We caution you that this presentation contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including certain plans, expectations, goals, projections, and statements, which are subject to numerous assumptions, risks, and uncertainties. The use of words such as "anticipates", "estimates", "expects", "intends", "plans", and "believes", among others, generally identify forward-looking statements. However, these words are not the exclusive means of identifying such statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts.*

*Actual results could differ materially from those contained or implied by such statements for a variety of factors including: (1) deterioration in the loan portfolio could be worse than expected due to a number of factors such as the underlying value of the collateral could prove less valuable than otherwise assumed and assumed cash flows may be worse than expected; (2) changes in economic conditions; (3) movements in interest rates; (4) competitive pressures on product pricing and services; (5) success and timing of other business strategies; (6) the nature, extent, and timing of governmental actions and reforms, including existing and potential future restrictions and limitations imposed in connection with the Troubled Asset Relief Program's voluntary Capital Purchase Plan or otherwise under the Emergency Economic Stabilization Act of 2008; (7) extended disruption of vital infrastructure; and (8) the pricing and total shares sold under the DEIP and the relative success of the tender offer.*

*Additional factors that could cause results to differ materially from those described above can be found in Huntington's 2008 Annual Report on Form 10-K, including in the discussion under "Risk Factors", and documents subsequently filed by Huntington with the Securities and Exchange Commission, including Huntington's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.*

*All forward-looking statements included in this presentation are based on information available at the time of the presentation. Huntington assumes no obligation to update any forward-looking statement.*

# Overview of Capital Actions

	Tier 1 Common Impact	
Discretionary Equity Issuance Program (DEIP):	\$350 MM	<ul style="list-style-type: none"> <li>Up to \$350 MM of common stock, 17% of current market cap</li> <li>Proceeds used for general corporate purposes and for concurrently announced hybrid tender offer</li> <li>Goldman, Sachs &amp; Co. will act as sales agent</li> </ul>
Hybrid Tender:	~\$75 MM	<ul style="list-style-type: none"> <li>Cash tender for trust preferred securities funded by the net proceeds of the DEIP                             <ul style="list-style-type: none"> <li>Huntington Capital I \$152 MM</li> <li>Huntington Capital II 68</li> <li>Huntington Capital III 250</li> </ul> </li> <li>Goldman, Sachs &amp; Co. will act as dealer manager</li> </ul>
Other Potential Actions:	~\$250 MM	<ul style="list-style-type: none"> <li>Additional liability management initiatives</li> <li>Exchange of other capital instruments</li> <li>Adoption of new accounting standards</li> <li>Other management initiatives</li> </ul>

**Total Tier 1 Common generation of \$675 MM**

# Rationale for Capital Actions

- Builds equity cushion to accommodate adverse credit scenarios
  - Consistent with SCAP methodology and results
  - Based on an internal analysis of public SCAP credit loss assumptions of regional peers applied to Huntington
- Better positions Huntington to repay TARP
- Supports lending and other growth opportunities

**Discretionary equity issuance, in combination with hybrid tender and other potential actions, fully achieves Huntington's capital objective**

# Strong Pro Forma Capital Position

## 2009 Capital Generation

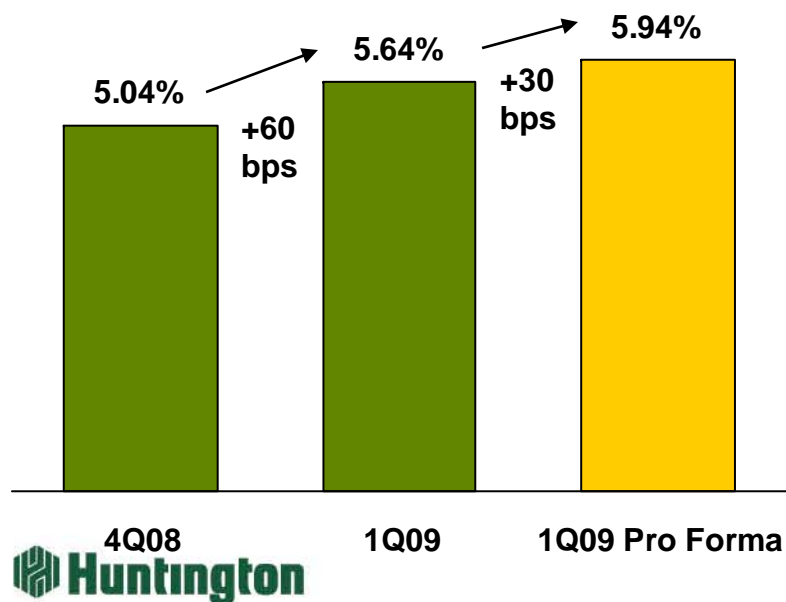
### Actions Taken

- Dividend reduction
- Franklin Credit restructuring
- Convertible for common exchange
- Discretionary equity issuance

### Additional Potential Actions

	<u>\$ MM</u>	<u>Timing</u>	<u>Tier 1 Common</u>
DEIP	\$350	2Q	76 bp
Hybrid tender <sup>(1)</sup>	~75	2Q	16
Other <sup>(2)</sup>	<u>~250</u>	2Q-3Q	<u>54</u>
	<u>~\$675</u>		146 bp

### Tier 1 Common



(1) Assumes 50% participation and an average price of \$525 per \$1,000 of debt tendered

(2) Includes potential additional liability management initiatives, exchange of other capital instruments, adoption of new accounting standard *FSP FAS 115-2 and FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments*, and other management initiatives

# Strong Pro Forma Capital Position

	As Reported		1Q09 Pro Forma	
	4Q08	1Q09	Completed Actions <sup>(2)</sup>	Potential Actions <sup>(3)</sup>
Tangible common equity / Tangible assets <sup>(1)</sup>	4.04%	4.65%	4.92%	6.05%
Tier 1 Common	5.04	5.64	5.94	7.40
Tier 1 Risk-based Capital Ratio	10.72	11.16	11.41	12.13
Total Risk-based Capital Ratio	13.91	14.28	14.53	14.42

(1) Excludes deferred tax liability on intangible assets

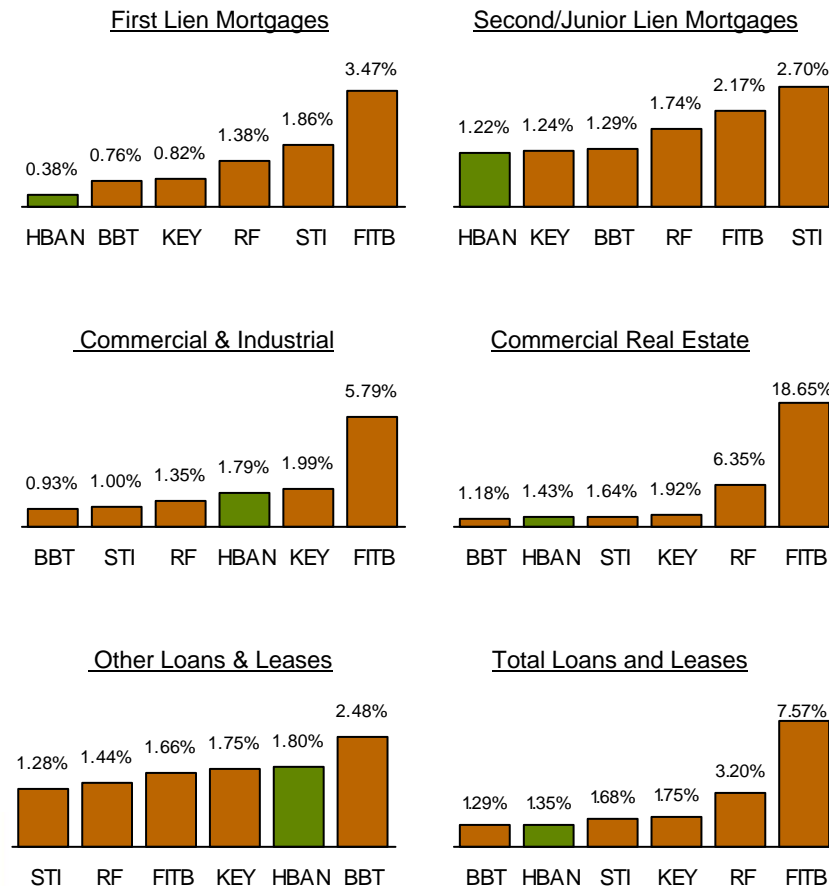
(2) Completion of discretionary equity issuance program (\$120 MM) and convertible exchange settled in 2Q09 (\$20 MM)

(3) Assumes \$350 MM discretionary equity issuance program, ~\$75 MM gain from hybrid tender, and ~\$250 MM from other actions

# Strong Pro Forma Capital Position

## Illustrative SCAP Analysis

### 4Q08 NCOs / Average Loans (1)



### 4Q08 NALs / Loans (2)



(1) Annualized (2) Period end

Source: Regulatory filings Note: HBAN excludes Franklin

# Strong Pro Forma Capital Position

## Illustrative SCAP Analysis

(\$ B)	Outstandings	2-Yr Cumulative Losses <sup>(1)</sup>			Implied Cumulative Losses		
	12/31/08	Low	Median	High	Low	Median	High
First lien mortgage loans	\$6.7	3.4%	6.3%	10.3%	\$0.2	\$0.4	\$0.7
Second / junior lien mortgages	6.2	6.3	10.4	13.7	0.4	0.6	0.9
Commercial & industrial	7.5	4.5	6.5	11.0	0.3	0.5	0.8
Commercial real estate	13.0	10.6	12.6	13.9	1.4	1.6	1.8
Other loans and leases	7.4	6.2	7.9	9.3	0.5	0.6	0.7
<b>Total loans and leases</b>	<b>\$40.8</b>	<b>8.3%</b>	<b>8.8%</b>	<b>10.5%</b>	<b>\$2.8</b>	<b>\$3.8</b>	<b>\$4.9</b>
		Total loss rate			6.8%	9.2%	11.9%

### Peers - 2Yr. Cumulative Losses

SunTrust	8.3%
KeyCorp	8.5
BB & T	8.6
PNC Financial	9.0
Regions Financial	9.1
Fifth Third	10.5

Note: Loan balances based on regulatory financials. Excludes Franklin Credit.

(1) Loss ranges represent ranges from SCAP analysis relating to the following banks: BBT, FITB, KEY, PNC, RF and STI

# Strong Pro Forma Capital Position

## Illustrative SCAP Analysis

(\$ MM)	2-Yr Cumulative Losses			
	7%	8%	9%	10%
Tier 1 Common required	\$(178)	\$111	\$546	\$981
Common equity issued	350	350	350	350
Hybrid tender	~75	~75	~75	~75
Other Tier 1 Common sources <sup>(1)</sup>	~250	~250	~250	~250
<b>Tier 1 Common surplus / (deficit)</b>	<b>\$853</b>	<b>\$564</b>	<b>\$129</b>	<b>\$(306)</b>
<b>Disallowed deferred tax asset <sup>(2)</sup></b>	<b>\$ --</b>	<b>\$ 24</b>	<b>\$193</b>	<b>\$362</b>

## Critical Assumptions

- 2009 / 2010 pre-tax, pre-provision net revenue of \$900 MM annually
- Reserve of \$502 MM, 1.23% of loans (average of 2003-2007)
- \$130 MM losses on securities portfolio
- Credit for actions completed in 2009 - \$134 MM convertible exchange, FCMC restructuring, \$120 MM discretionary equity issuance
- Based on regulatory financial reporting

(1) Includes potential additional liability management initiatives, exchange of other capital instruments, adoption of new accounting standards and other management initiatives

(2) Per 10% rule

# Investment Considerations

- Aggressively addressing credit concerns
- Expense and margin initiatives will drive operating earnings growth
- Strong pro forma capital position
- Performance and outlook for core business are strong
- Line of business management team restructuring complete

## Other Information

- Goldman, Sachs & Co. is acting as Sales Agent for the Discretionary Equity Issuance Program (DEIP). Huntington has an existing shelf registration statement (including a base prospectus) on file with the Securities and Exchange Commission and will file a prospectus supplement related to the DEIP described above. Prospective investors should read the registration statement (including the base prospectus), the prospectus supplement and other documents Huntington has filed with the SEC for more complete information about Huntington and the offering before investing. Investors may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, Huntington, any underwriter or any dealer participating in the offering will arrange to send investors the prospectus if requested by contacting Goldman, Sachs & Co., Attention: Prospectus Department, 85 Broad Street, New York, NY 10004, telephone: 212-902-1171 or 866-471-2526, fax: 212-902-9316, email: [Prospectus-ny@ny.email.gs.com](mailto:Prospectus-ny@ny.email.gs.com).
- Goldman, Sachs & Co. is serving as Dealer Manager in connection with the Tender Offer. Global Bondholder Services Corporation is serving as Depository and Information Agent in connection with the Tender Offer. Persons with questions regarding the Tender Offer should contact Goldman, Sachs & Co. at 800-828-3182 (toll free) or 212-357-4692 (collect). Requests for copies of the Offer to Purchase or related letter of transmittal may be directed to Global Bondholder Services Corporation at (866) 387-1500 (toll free) or (212) 430- 3774 (collect for banks and brokers).
- This presentation does not constitute an offer to sell or the solicitation of an offer to buy any Huntington common stock or an offer to buy or the solicitation of an offer to sell any Huntington trust preferred securities, and nor shall there be any sale or purchase of securities of the company in any state or jurisdiction in which such an offer, solicitation, sale or purchase would be unlawful. Unless an exemption from the securities laws is available, any offering of Huntington common stock may be made only by means of an effective registration statement (including related base prospectus) and prospectus supplement. The Tender Offer is being made only pursuant to the Offer to Purchase dated May 21, 2009, and the related letter of transmittal.

# Appendix

# Non-Franklin Regulatory Reporting Reconciliations

(\$000s)	4Q 08	3Q 08	Average	NALs 4Q 08	% of Loans
<b>First Lien</b>					
<b>Line 1c2a</b>	\$ 6,720,816	\$ 6,823,802	\$ 6,772,309	\$ 143,021	2.13%
Charge-offs			\$ 6,399		
Ratio			0.38%		
<b>Second Lien</b>					
Line 1c2b	\$ 1,670,980	\$ 1,901,263		\$ 10,777	
Line 1c1	4,546,831	4,261,431		21,838	
<b>Total</b>	<b>\$ 6,217,811</b>	<b>\$ 6,162,694</b>	<b>\$ 6,190,253</b>	<b>\$ 32,615</b>	<b>0.52%</b>
Charge-offs			\$ 32,582		
Reclass for HEL GL change			(13,775)		
Adjusted charge-offs			\$ 18,807		
Ratio originally reported			2.11%		
Adjusted ratio			1.22%		
<b>Commercial &amp; Industrial</b>					
<b>Line 4</b>	\$ 7,461,769	\$ 7,056,732	\$ 7,259,251	\$ 156,894	2.10%
Charge-offs			\$ 32,533		
Ratio			1.79%		
<b>Commercial Real Estate</b>					
Line 1a1	\$ 1,010,001	\$ 1,055,135		\$ 124,873	
Line 1a2	3,195,205	3,002,713		131,764	
Line 1b	78,481	79,618		2,203	
Line 1d	920,750	948,650		29,498	
Line 1e1	2,248,558	2,193,729		35	
Line 1e2	5,561,545	5,593,347		206,280	
<b>Total</b>	<b>\$ 13,014,540</b>	<b>\$ 12,873,192</b>	<b>\$ 12,943,866</b>	<b>\$ 494,653</b>	<b>3.80%</b>
Charge-offs			\$ 46,149		
Ratio			1.43%		

Line numbers are from regulatory FR Y-9C reports

# Non-Franklin Regulatory Reporting Reconciliations

(\$000s)	4Q 08	3Q 08	Average	NALs 4Q 08	% of Loans
<b>Other loans &amp; leases</b>					
Line 2	\$ 378	\$ 290		\$ -	
Line 3	133,683	110,043		418	
Line 6	4,718,617	4,743,195		647	
Line 9a	53,162	3,179		16,628	
Line 9b less Franklin	898,610	933,625		7,272	
Line 10	1,591,572	1,658,910		-	
<b>Total</b>	<b>\$ 7,396,022</b>	<b>\$ 7,449,242</b>	<b>\$ 7,422,632</b>	<b>\$ 24,965</b>	<b>0.34%</b>
Charge-offs excluding Franklin			\$ 19,688		
Reclass for HEL GL change			13,775		
Adjusted charge-offs			\$ 33,463		
Ratio originally reported			1.06%		
Adjusted ratio			1.80%		
<b>Total loans excluding Franklin</b>	<b>\$ 40,810,958</b>	<b>\$ 40,365,662</b>	<b>\$ 40,588,310</b>	<b>\$ 852,148</b>	<b>2.09%</b>
Total net charge-offs excluding Franklin			137,351		
Franklin loans	650,000	1,095,000			
Franklin charge-offs			423,269		
<b>Total reported</b>	<b>\$ 41,460,958</b>	<b>\$ 41,460,662</b>	<b>\$ 560,620</b>		

Line numbers are from regulatory FR Y-9C reports