

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report: April 18, 2002

HUNTINGTON BANCSHARES INCORPORATED
(Exact Name of Registrant as specified in its charter)

Maryland
(State or other
jurisdiction of
incorporation or
organization)

0-2525
(Commission File No.)

31-0724920
(IRS Employer
Identification Number)

Huntington Center
41 South High Street
Columbus, Ohio 43287
(614) 480-8300
(Address, including zip code, and telephone number
including area code of Registrant's
principal executive offices)

Item 5. Other Events.

On April 18, 2002, Huntington Bancshares Incorporated ("Huntington") issued a news release announcing its earnings for the first quarter and three months ended March 31, 2002. The information contained in the news release, which is attached as Exhibit 99.1 to this report, is incorporated herein by reference. Huntington also presented this information during a conference call which was available via Internet Webcast. The presentation materials are attached at Exhibits 99.2 and 99.3 to this report, and are incorporated herein by reference.

The information contained or incorporated by reference in this Current Report on Form 8-K may contain forward-looking statements, including certain plans, expectations, goals, and projections, which are subject to numerous assumptions, risks, and uncertainties. A number of factors, including but not limited to those set forth under the heading "Business Risks" included in Item 1 of Huntington's Annual Report on Form 10-K for the year ended December 31, 2001, and other factors described from time to time in Huntington's other filings with the Securities and Exchange Commission, could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements. All forward-looking statements included in this Current Report on Form 8-K are based on information available at the time of the Report. Huntington assumes no obligation to update any forward-looking statement.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit 99.1 News release of Huntington Bancshares Incorporated, dated April 18, 2002.

Exhibit 99.2 Presentation Transcript of April 18, 2002.

Exhibit 99.3 Presentation Materials, dated April 18, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HUNTINGTON BANCSHARES INCORPORATED

Date: April 24, 2002

By: /s/ Michael J. McMennamin
Michael J. McMennamin, Vice Chairman, Chief
Financial Officer, and Treasurer

EXHIBIT INDEX

<i>Exhibit No.</i>		<i>Description</i>
Exhibit 99.1	*	News release of Huntington Bancshares Incorporated, dated April 18, 2002.
Exhibit 99.2	*	Presentation Transcript of April 18, 2002.
Exhibit 99.3	*	Presentation Materials, dated April 18, 2002.

* Filed with this report.

FOR IMMEDIATE RELEASE
April 18, 2002

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**HUNTINGTON BANCSHARES ANNOUNCES
FIRST QUARTER 2002 EARNINGS OF \$0.39 PER SHARE AND
OPERATING EARNINGS OF \$0.31 PER SHARE EXCLUDING THE GAIN ON THE
SALE OF FLORIDA OPERATIONS AND RESTRUCTURING AND OTHER CHARGES**

COLUMBUS, Ohio – Huntington Bancshares Incorporated (NASDAQ: HBAN; www.huntington.com) today reported first quarter earnings of \$97.7 million, or \$0.39 per common share. This compares with earnings of \$65.6 million, or \$0.26 per common share, in the fourth quarter and \$67.9 million, or \$0.27 per common share, in the year-ago quarter.

First quarter 2002 results include the impact of the following items, all associated with the strategic restructuring announced last July:

- \$175.4 million pretax gain on the sale of our Florida banking operations (\$56.8 million after tax or \$0.22 per share), and
- \$56.2 million pretax restructuring and other charges (\$36.5 million after tax or \$0.14 per share). The first quarter of 2002 marks the last quarter to reflect such charges related to the implementation of strategic initiatives announced in July 2001, including the sale of the Florida banking operations.

Excluding the impact of these items from first quarter 2002 results, operating earnings were \$77.5 million, or \$0.31 per common share, in the first quarter. This compares with fourth quarter 2001 operating earnings of \$75.5 million, or \$0.30 per common share, and \$67.9 million, or \$0.27 per common share, in the year-ago quarter with comparisons to prior quarters benefiting by \$0.03 per share from the adoption of SFAS No. 142, *Goodwill and Other Intangible Assets*.

“Operating results reflected a solid quarter for Huntington in a difficult economic environment,” said Thomas Hoaglin, chairman, president and chief executive officer. “We completed several strategic initiatives that were announced last July to improve long-term performance. Specifically, we closed the sale of our Florida banking operations on February 15. And, consistent with our announced intention to commence a significant share repurchase program upon completion of this sale, on February 19 the Board authorized a 22 million share repurchase program. Through the end of March we had repurchased 1.5 million shares.”

Hoaglin continued, “First quarter results, adjusted for the impact of the sale of the Florida operations, demonstrated continued growth in loans and core deposits, an efficiency ratio of 54.1%, stronger loan loss reserves and a tangible common equity ratio of 9.03%. With these improvements, we believe this is a good start for the year.”

“Net charge-offs in both the commercial and consumer businesses as well as non-performing asset levels remained high. The loan loss reserve to loan ratio at quarter end was a strong 2.00%,” Hoaglin added. “We are encouraged that this was the second consecutive quarter where the inflow of new non-performing loans declined. Also, consumer loan delinquencies over 30 days declined to 2.36% from 3.21% at the end of last year.”

Basis of Discussion

Comparison of first quarter 2002 results to prior quarters is impacted by a number of items. This includes the gain on the sale of Florida banking operations in the 2002 first quarter, restructuring and other charges in all periods, and two one-time items in the 2001 fourth quarter. Reported first quarter 2002 results also include Florida operations for only half the quarter. To better understand underlying trends, the following discussion is on an operating basis, which excludes the impact of these items in all periods, including the impact of the Florida transaction except where otherwise noted due to immateriality. (Please refer to the schedules immediately following this discussion, as well as the Quarterly Financial Review for schedules reconciling reported with operating earnings and additional schedules excluding the impact of the Florida operations.)

Discussion of Results

First quarter 2002 operating results compared with 2001 fourth quarter performance and excluding the impact of Florida operations from both periods reflected:

- \$79.5 million of net income, or \$0.32 per share,
- 5% annualized growth in managed loans,
- 6% annualized growth in core deposits,
- 4.21% net interest margin,
- 54.1% efficiency ratio,
- \$3.7 million decrease in loan loss provision expense, and
- 9.03% tangible common equity ratio.

Net interest income declined \$3.5 million from the fourth quarter reflecting a 6 basis point decline in the net interest margin to 4.21%. The decrease in the net interest margin was driven, in part, by the lagged impact of repricing variable rate home equity lines in a period of declining interest rates. This was only partially offset by a 4% annualized increase in earning assets driven by loan growth. Compared with the year-ago quarter, net interest income was up \$14.6 million, or 7% with the net interest margin increasing 23 basis points from 3.98%.

Average managed loans increased 5% on an annualized basis in the quarter. Reflecting the promotion of adjustable rate mortgage products, residential real estate loans increased \$213 million and represented 85% of the quarter's average loan growth. Home equity lines and commercial real estate loans increased at annualized rates of 13% and 16%, respectively. In contrast, commercial loans and consumer installment loans declined 6% and 17% on an annualized basis, respectively. Compared with the year-ago quarter, average managed loans were up 4%.

Average core deposits increased 6% on an annualized basis from the fourth quarter reflecting a successful deposit growth campaign in retail and small business banking. Compared with the year-ago quarter, average core deposits were up 8%.

Non-interest income, excluding securities gains, was up \$0.7 million from the fourth quarter. This was primarily driven by a \$4.6 million increase in mortgage banking income, reflecting a 60% increase in mortgage deliveries to the secondary market. This was largely offset by a \$4.5 million decrease in other income reflecting lower securitization income and decreased sales of customer derivative products. Non-interest income was up 19% from the year-ago quarter also reflecting the benefit of increases in mortgage banking, as well as a 10% increase in deposit service charges, a 19% increase in brokerage and insurance fees, a 10% increase in trust income, and an 8% increase in other miscellaneous fees.

Non-interest expense increased \$1.6 million from the fourth quarter driven by a \$4.2 million increase in personnel costs reflecting, in part, the FICA reset at the beginning of each year, a \$1.7 million increase in outside services expense, and a \$1.9 million increase in marketing expense. Partially offsetting these increases were a \$3.0 million decrease in combined equipment and occupancy expenses reflecting lower depreciation expense and a \$2.3 million reduction in amortization of non-Florida related intangibles. Non-interest expense was down \$4.8 million, or 2%, compared with the year-ago quarter reflecting decreases across a number of expense categories only partially offset by higher personnel costs and outside data processing and other services expense.

Net charge-offs were \$50.6 million in the first quarter and were 1.07% of average loans. This was down from \$51.3 million and 1.11%, in the fourth quarter. Excluding the impact of net charge-offs on exited portfolios for which reserves were previously established, net charge-offs represented 1.00% of average loans, down from 1.04% in the fourth quarter. The over 30-day delinquency ratio for total loans, which averaged 2.32% for the last three consecutive quarters including Florida operations, dropped to 1.89% at the end of March. This included significant improvement in consumer loan delinquencies over 30 days from 3.21% at the end of last year also including Florida operations to 2.36% at the end of the first quarter.

Loan loss provision expense in the first quarter was \$50.6 million, equal to net charge-offs, and down \$3.7 million from the fourth quarter. The allowance for loan losses as a percent of period-end loans was 2.00% at March 31, 2002, up from 1.53% at the end of the year-ago quarter.

Non-performing assets at March 31, 2002, were \$225.5 million, up slightly from \$220.4 million at the end of last year, and represented 1.17% of period-end total loans and other real estate, unchanged from December 31, 2001. Non-performing assets continue to be concentrated in the manufacturing and services sectors reflecting weakness in Midwest manufacturing.

At March 31, 2002, the tangible equity to assets ratio was 9.03%. Given the company's objective to repurchase \$300-\$400 million of shares in 2002, this ratio is expected to end the year in the 7.5%-8.0% range.

2002 Outlook

“Given that first quarter performance was in line with our expectations, we remain comfortable with our previously stated 2002 earnings per share guidance of \$1.32-\$1.36,” Hoaglin said. “The key issue for the next few quarters is credit quality with the main variable being the strength and timing of the economic recovery and its impact on our markets and customers. In those areas where we have more direct influence, such as loan and deposit growth, revenue generation, and expense control, we remain confident of continued progress.”

Conference Call / Webcast Information

Huntington's senior management will host an earnings conference call today at 2:00 p.m. EDT, via a live Internet webcast at www.huntington-ir.com or through a dial-in phone number at **(800) 760-1355**. Slides to be reviewed during the conference call will be available for viewing at www.huntington-ir.com on April 18, 2002, just prior to 2:00 p.m. EDT.

A replay of the webcast will be archived in the Investor Relations section of Huntington's web site www.huntington.com. A phone dial-in replay will be available through April 30, 2002, at (800) 642-1687; conference ID 3727820.

The supplemental financial tables as well as the slides for the conference call will be filed, along with management's comments, with the Securities and Exchange Commission on Form 8-K.

About Huntington

Huntington Bancshares Incorporated is a \$25 billion regional bank holding company headquartered in Columbus, Ohio. Through its affiliated companies, Huntington has more than 136 years of serving the financial needs of its customers. Huntington provides innovative retail and commercial financial products and services through more than 300 regional banking offices in Indiana, Kentucky, Michigan, Ohio and West Virginia. Huntington also offers retail and commercial financial services online at www.huntington.com; through its technologically advanced, 24-hour telephone bank; and through its network of more than 900 ATMs. Selected financial service activities are also conducted in other states including: Dealer Sales offices in Florida, Tennessee, Pennsylvania and Arizona; Private Financial Group offices in Florida; and Mortgage Banking offices in Florida, Maryland and New Jersey. International banking services are made available through the headquarters office in Columbus and additional offices located in the Cayman Islands and Hong Kong.

Forward-looking Statement

This press release contains certain forward-looking statements, including certain plans, expectations, goals, and projections, which are subject to numerous assumptions, risks, and uncertainties. A number of factors, including but not limited to those set forth under the heading "Business Risks" included in Item 1 of Huntington's Annual Report on Form 10-K for the year ended December 31, 2001, and other factors described from time to time in Huntington's other filings with the Securities and Exchange Commission, could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements. All forward-looking statements included in this news release are based on information available at the time of the release. Huntington assumes no obligation to update any forward-looking statement.

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Huntington Bancshares Incorporated

Key Statistics

(\$ in thousands, except per share amounts)

	Operating		
	1Q02	4Q01	1Q01
Average loans - managed	\$ 21,676,613	\$ 22,747,539	\$ 22,061,281
Managed loan growth - linked quarter annualized	NA	2%	2%
Average earning assets - reported	\$ 23,769,027	\$ 24,881,812	\$ 25,014,875
Average core deposits	\$ 16,300,959	\$ 18,236,365	\$ 17,265,382
Core deposit growth - linked quarter annualized	NA	9%	-4%
Net interest income	\$ 242,825	\$ 255,238	\$ 243,124
Provision for loan losses	55,781	58,275	33,464
Securities gains	457	89	2,078
Non-interest income	125,627	133,008	115,646
Non-interest expense	207,386	227,354	234,090
Income before income taxes	105,742	102,706	93,294
Income taxes	28,286	27,214	25,428
Net income	\$ 77,456	\$ 75,492	\$ 67,866
EPS	\$ 0.31	\$ 0.30	\$ 0.27
Net interest margin	4.14%	4.11%	3.93%
Efficiency ratio	55.7%	55.8%	62.0%
Net charge-offs (NCO's)	\$ 55,781	\$ 56,146	\$ 28,093
NCO's as a % of average loans	1.11%	1.04%	0.55%
NCO's - excl. runoff portfolios	\$ 52,034	\$ 52,519	\$ 28,093
NCO's as a % of average loans - excl. runoff portfolios	1.04%	0.98%	0.55%
Non-performing assets	\$ 225,530	\$ 227,493	\$ 124,886
Non-performing assets as a % of total loans and other real estate (OREO)	1.17%	1.05%	0.60%
Allowance for loan losses and OREO as a % of non-performing assets	171%	180%	239%

	Operating, Ex. Florida		
	1Q02	4Q01	1Q01
Average loans - managed	\$ 20,297,574	\$ 20,042,105	\$ 19,661,660
Managed loan growth - linked quarter annualized	5%	0%	1%
Average earning assets - reported	\$ 22,389,988	\$ 22,176,377	\$ 22,613,259
Average core deposits	\$ 14,027,333	\$ 13,712,713	\$ 12,967,426
Core deposit growth - linked quarter annualized	6%	10%	-3%
Net interest income	\$ 233,101	\$ 236,596	\$ 218,518
Provision for loan losses	50,595	54,281	29,709
Securities gains	457	89	2,078
Non-interest income	114,994	114,291	96,573
Non-interest expense	189,051	187,429	193,817
Income before income taxes	108,906	109,266	93,643
Income taxes	29,393	28,999	24,463
Net income	\$ 79,513	\$ 80,267	\$ 69,180
EPS	\$ 0.32	\$ 0.32	\$ 0.28
Net interest margin	4.21%	4.27%	3.98%
Efficiency ratio	54.1%	52.5%	60.2%
Net charge-offs (NCO's)	\$ 50,595	\$ 51,311	\$ 25,715
NCO's as a % of average loans	1.07%	1.11%	0.57%
NCO's - excl. runoff portfolios	\$ 46,848	\$ 47,683	\$ 25,715
NCO's as a % of average loans - excl. runoff portfolios	1.00%	1.04%	0.57%
Non-performing assets	\$ 225,530	\$ 220,397	\$ 117,032
Non-performing assets as a % of total loans and other real estate (OREO)	1.17%	1.17%	0.63%
Allowance for loan losses and OREO as a % of non-performing assets	171%	176%	238%

HUNTINGTON BANCSHARES INCORPORATED
CONSOLIDATED RESULTS OF OPERATIONS

(in thousands, except per share amounts)

	Three Months Ended March 31, 2002		
	Reported Earnings	Adjustments	Operating Earnings
		(1)	
Interest Income	\$ 393,595	\$ ---	\$ 393,595
Interest Expense	150,770	---	150,770
Net Interest Income	242,825	---	242,825
Provision for Loan Losses	55,781	---	55,781
Securities Gains	457	---	457
Non-Interest Income	125,627	---	125,627
Gain on Sale of Florida Operations	175,344	175,344	---
Non-Interest Expense	207,386	---	207,386
Special Charges	56,184	56,184	---
Income Before Income Taxes	224,902	119,160	105,742
Income Taxes	127,175	98,889	28,286
Net Income	\$ 97,727	\$ 20,271	\$ 77,456
Net Income per Common Share -- Diluted	\$0.39	\$0.08	\$0.31

	Three Months Ended March 31, 2001		
	Reported Earnings	Adjustments	Operating Earnings
Interest Income	\$ 517,975	\$ ---	\$ 517,975
Interest Expense	274,851	---	274,851
Net Interest Income	243,124	---	243,124
Provision for Loan Losses	33,464	---	33,464
Securities Gains	2,078	---	2,078
Non-Interest Income	115,646	---	115,646
Non-Interest Expense	234,090	---	234,090
Special Charges	---	---	---
Income Before Income Taxes	93,294	---	93,294
Income Taxes	25,428	---	25,428
Net Income	\$ 67,866	\$ ---	\$ 67,866
Net Income per Common Share -- Diluted	\$0.27	\$0.00	\$0.27

(1) Includes \$175.3 million of pre-tax gain on sale of Florida operations and \$56.2 million of pre-tax restructuring and special charges.

HUNTINGTON BANCSHARES INCORPORATED
CONSOLIDATED COMPARATIVE SUMMARY - Operating Basis ⁽¹⁾
(in thousands, except per share amounts)

Consolidated Results of Operations

	Three Months Ended		Change %
	March 31,		
	2002	2001	
Interest Income	\$ 393,595	\$ 517,975	(24.0) %
Interest Expense	150,770	274,851	(45.1)
Net Interest Income	242,825	243,124	(0.1)
Provision for Loan Losses	55,781	33,464	66.7
Securities Gains	457	2,078	(78.0)
Non-Interest Income	125,627	115,646	8.6
Non-Interest Expense	207,386	234,090	(11.4)
Income Before Income Taxes	105,742	93,294	13.3
Provision for Income Taxes	28,286	25,428	11.2
Net Income	\$ 77,456	\$ 67,866	14.1 %

Per Common Share Amounts

Net Income per Common Share			
Basic	\$0.31	\$0.27	14.8 %
Diluted	\$0.31	\$0.27	14.8 %
Cash Dividends Declared			
	\$0.16	\$0.20	(20.0) %
Book value at end of period			
	\$9.74	\$9.58	1.6 %
Average Common Shares			
Basic	250,749	250,998	(0.1) %
Diluted	251,953	251,510	0.2 %

Key Operating Ratios

	Three Months Ended	
	March 31,	
	2002	2001
Return On:		
Average Total Assets	1.18%	0.97%
Average Shareholders' Equity	13.26%	11.53%
Efficiency Ratio	55.7%	62.0%
Net Interest Margin	4.14%	3.93%

Consolidated Statement of Condition Data

	Average for Three Months		Change		At March 31,		Change	
	Ended March 31,		Actual	Ex. Fla.	2002	2001	Actual	Ex. Fla.
	2002	2001	%	%			%	%
Loans - Reported	\$ 20,472,192	\$ 20,703,769	(1.1)	5.0	\$ 19,338,947	\$ 20,870,648	(7.3)	5.4
Loans - Managed	21,676,613	22,061,281	(1.7)	3.9	20,529,523	22,210,181	(7.6)	4.3
Core Deposits ⁽²⁾	16,300,959	17,265,382	(5.6)	8.1	14,679,775	17,450,116	(15.9)	11.8
Total Deposits	17,924,681	19,065,407	(6.0)	6.9	16,266,785	19,130,157	(15.0)	11.5
Assets - Reported	26,544,413	28,236,740	(6.0)	(1.0)	24,745,954	28,441,188	(13.0)	(1.9)
Shareholders' Equity	2,369,808	2,387,653	(0.7)	(0.7)	2,433,938	2,405,256	1.2	1.2

Capital Ratios and Asset Quality

	At			At	
	March 31,			March 31,	
	2002	2001		2002	2001
Tier I Risk-Based Capital ⁽³⁾	10.26%	7.19%	Non-performing loans (NPLs)	\$219,418	\$110,855
Total Risk-Based Capital ⁽³⁾	13.40%	10.31%	Total non-performing assets (NPAs)	\$225,530	\$124,886
Tier I Leverage ⁽³⁾	9.72%	7.12%	Allowance for loan losses/total loans	2.00 %	1.45 %
Average Equity/Assets	8.93%	8.46%	Allowance for loan losses/NPLs	176 %	272 %
Tangible Equity/Assets	9.03%	6.01%	Allowance for loan losses and other real estate/NPAs	171 %	239 %

⁽¹⁾ Income component excludes after-tax impact of the \$56.8 million gain on sale of Florida operations and \$36.5 million restructuring and special charges in 1Q '02.

⁽²⁾ Core deposits include non-interest bearing and interest bearing demand deposits, savings deposits, CDs under \$100,000, and IRA deposits.

⁽³⁾ Estimated.

Exhibit 99.2

HUNTINGTON BANCSHARES INCORPORATED
First Quarter Earnings
Leader, Jay Gould
April 18, 2002

Operator: Good afternoon. My name is Dixie and I will be your conference facilitator today. At this time, I would like to welcome everyone to the Huntington Bancshares First Quarter Earnings Conference Call. All lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be a question and answer period. If you would like to ask a question during this time, simply press star (*), then the number 1 on your telephone keypad and questions will be taken in the order that they are received. If you would like to withdraw your question, press the pound key. Thank you, Mr. Gould, you may begin your conference.

Mr. Gould: Thank you, Dixie and welcome to today's conference call. I'm Jay Gould, Director of Investor Relations. Before formal remarks, some usual housekeeping items: copies of the slides which we will be reviewing can be found on our Web site, www.huntington.com. This call is being recorded and will be available as a rebroadcast starting later this evening through the end of April. Please call the Investor Relations Department at (614) 480-5676 for more information on how to access these recordings or playback, or if you have difficulty getting a copy of the slides. Today's discussion, including the Q&A period, may contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. As such statements are based on information and assumptions available at this time and are subject to change, risks and uncertainties which may cause actual results to differ materially. We assume no obligation to update such statements. For a complete discussion of risks and uncertainties, please refer to Slide 38 and material filed with the SEC including our most recent 10-K, 10-Q and 8-K filings. Let's begin.

Turning to Slide 2, participating in today's call will be Tom Hoaglin, Chairman, President and Chief Executive Officer; and Mike McMennamin, Chairman and Chief Financial Officer. Our presentation today is a bit longer than usual. Since we closed the sale of our Florida operations in mid-February, we've added some slides and data excluding the impact of that sale to help you better understand underlying trends and gauge new absolute levels for some balance sheet and income statement items to assist you in your modeling. We think the presentation will take about 30 minutes. And we want to take your questions, so let's get started. Let me turn the meeting over to Tom.

Mr. Hoaglin:

Thank you Jay, and welcome everyone. Thanks for joining us. As we have done before, I will begin today's presentation with a quick review of first quarter accomplishments from my perspective. Mike and Jay will follow with more detailed comments. Turning to Slide 3, we started off the year with a solid quarter. Operating earnings per share were \$0.31 consistent with our own and analysts' expectations. We are particularly pleased with the 5% annualized growth in loans in a very difficult environment to grow loans. We're delighted with a 6% annualized growth in deposits during the quarter. This represented the third consecutive quarter of core deposit growth.

Core deposits increased 8%, or a little over a billion dollars from a year ago. To put that in perspective, that growth is equivalent to roughly 90% of the total funding required from a sale of the entire Florida banking franchise. Credit quality performance is mixed, as net charge-offs were up while non-performing assets were flat and delinquencies declined.

We entered the quarter with a strong loan loss reserve ratio at 2%. And as expected, the sale of the Florida operations significantly strengthened our capital position and allowed us to commence our share repurchase program.

Turning to Slide 4, last July we outlined a series of strategic initiatives to move Huntington toward improved customer service, earnings growth and higher profitability. We are now fully into the implementation phase. Therefore, first quarter results include the last installment of restructuring charges associated with the implementation of these strategic initiatives.

We completed the sale of our Florida banking operations and commenced a 22 million share repurchase program.

With the Florida sale behind us, we launched a significantly upgraded Internet banking capability. This resulted in a completely renovated and more customer-friendly and responsive offering. We are over halfway toward our goal of 20% penetration in the 520,000 households who have checking accounts with us.

We're moving to upgrade our front line banking technology platform. A year ago, 70% of our offices used an 18-year-old proprietary system for all teller activity with the remaining 30% having no automated system and using manual calculators. It's not surprising our customer service suffered. We made a decision last year to upgrade this technology with a \$40 million investment and expect to have this fully rolled out around year-end.

We're also beginning to see evidence that the retail banking sales and service initiatives begun 9 months ago are getting traction, as the number of net new accounts is growing, as are the number of households we serve. We're very pleased to announce the acquisition of Haberer, a money manager located in Cincinnati with about \$500 million of assets under management. With those introductory remarks, let me turn the presentation over to Mike to provide the details.

Mr. McMennamin:

Thanks, Tom.

Because Florida represented a significant part of the company's balance sheet and income statement and is included in the reported and operating results for half a quarter, where it's helpful, we will discuss results excluding Florida. Hopefully this will give you a better sense of the current run rate.

At the bottom of Slide 6, there are two one-time items we've excluded from reported earnings to get to operating earnings. The first was a \$57 million after-tax gain from the sale of the Florida operations. The second was a \$37 million after-tax restructuring charge representing the last tranche associated with last July's strategic restructuring.

Moving to the top of this slide, first quarter net income on an operating basis, was \$77.5 million, or \$0.31 per share. Excluding Florida, this increases slightly to \$79.5 million, or \$0.32 a share. Again, excluding Florida, loans grew at a 5% annual pace during the quarter with home equity lines and real estate mortgages as the strongest performers. On this same basis, deposits are up 6% marking the third consecutive quarter of solid deposit growth. As expected, our net interest margin increased to 4.14% and was 4.21% excluding Florida. The efficiency ratio is 55.7%, down

slightly from the fourth quarter, and significantly below the 62% level a year ago. Given Florida's higher relative cost structure, excluding their results, the efficiency ratio was even lower than 54.1% for the quarter.

As Tom indicated, credit quality represented a mixed performance. Net charge-offs in the quarter adjusted for the exited portfolios and Florida, totaled 100 basis points. While we anticipated a modest increase in non-performing assets, the total declined slightly with the current quarter representing the second consecutive quarterly decline in the in-flow of new non-performing assets. The loan loss reserve ratio increased to 2% from 1.90 at the end of the last year, and the tangible common equity ratio jumped from 6.04% to 9.03% given the capital released from the sale of the Florida operations. All in all, this quarter was basically as expected, with continued evidence of our progress in moving Huntington forward.

Slide 7 reconciles reported versus operating earnings.

Turning to Slide 8, in the first quarter we recognized \$56 million pre-tax of restructuring and other charges, bringing to the total to date to \$233 million. This is 8% higher than the \$215 million we had estimated last July with the increase primarily related to additional expenses of \$10 million associated with the Florida sale, and \$8 million additional associated with the write-off of e-commerce investments. Importantly, these are all now behind us.

Slide 9 shows performance highlights for the first quarter compared with the fourth quarter and the year-ago quarter. Return on assets and return on equity, while below acceptable levels, are gradually moving upward. And as mentioned, completing the Florida sale immediately increased our tangible common equity to asset ratio above 9%.

Slide 10 compares the quarterly income statement for the first, fourth and year-ago quarters on an operating basis. This is a slide that we normally focus on to understand and explain underlying trends. However, both the fourth quarter and the year-ago quarter include Florida results while the first quarter includes only half a quarter of Florida operations. To better understand underlying

trends, we have supplied some additional information. In the quarterly financial review package accompanying our earnings release, we've added a number of income statement and balance sheet highlights excluding Florida, and in our conference call slides we've added the following slide as well as annotations to a number of others.

Slide 11 compares operating results excluding Florida, for the first quarter and the fourth quarter and we think this is the clearest picture of our underlying performance trends. Compared to the fourth quarter, net interest income declined \$3.5 million reflecting a 4% annualized increase in earnings assets which is more than offset by decline in the net interest margin from 4.27 to 4.21. This margin compression was driven primarily by the reduced benefit of the lagged re-pricing of the \$2 billion plus variable rate home equity line portfolio. Jay is going to provide some detail on non-interest income and non-interest expense in just a couple of minutes.

The left hand graph on Slide 12 shows the quarterly earnings per share pattern which has been basically flat for the last 6 quarters. The right hand graph shows trends in pre-tax income before provision expense and also excludes security gains. This graph measures earnings progress before credit costs. Pre-tax income on this basis was \$161 million or 29% higher than a year ago. Excluding Florida, it was \$159 million, or 31% higher. We're building a solid foundation for earnings growth once this credit cycle eases.

Slide 13 shows a steady progress in improving the net interest margin over the last five quarters. It's important to know that this margin expansion has occurred at the same time we have been reducing our interest rate risk exposure. The graph on the right side shows the reduction in lower margin earning assets, primarily investment securities over the last few quarters. This movement to a richer asset mix has been a contributor to the improvement of the net interest margin.

Slide 14 shows average managed loan growth in the first quarter increased 5% annualized on a linked quarter basis, excluding Florida. As Tom mentioned, we're very pleased with recent loan

growth in this difficult environment to grow loans. We became concerned about our ability to grow either commercial or consumer loans late in the third quarter of last year as economic activity weakened. Having mortgage refinancing activity created one of the few areas of loan demands. Therefore, we focused on the origination of residential arm loans primarily 3/1 and 5/1 product. Since last September we have originated and booked \$600 million of these loans with another \$175 million in the pipeline. The increase in these residential arm loans represented 85% of the total growth in average loans during the quarter. Home equity lines were also a source of growth and have been increasing at an annualized rate in the high teens in the recent quarters. These volumes are being positively impacted by the attractiveness of lower rates as well as the increased cross selling to our first mortgage customers. Commercial real estate loans increased at a 16% annualized rate in the first quarter with most of this growth in construction loans. You'll find additional slides segmenting this portfolio by region, loan type and property type in the Appendix.

Not surprisingly, commercial loans have declined reflecting the impact of this weakened economy. Auto loans and leases were again little change during the quarter. Loan and lease origination declined slightly from \$759 million in the fourth quarter to \$699 million in the first quarter and were flat versus a year ago. New car originations as a percentage of total loan and lease originations increased from 54% to 59% during the quarter. Installment loans which, include fixed rate home equity loans continued to shrink reflecting the current unattractiveness of fixed rate loans.

Slide 15 - the 6% annualized growth rate in core deposits during the quarter was encouraging and followed a 10% growth rate in the fourth quarter and a 15% growth rate in the third quarter. Core deposits have increased 8% versus the year earlier quarter after a number of quarters of zero or negative growth. We're excited about the progress we're making in growing core deposits. While we are obviously benefiting from uncertainty in the financial market, we feel a significant part of this growth is attributable to our increased focus on the sales management process. This growth is increasingly important to us following the Florida sale, where deposits that were sold exceeded loans and thus increased our funding needs by about \$1.2 billion. We are particularly pleased

with the broadbased nature of this growth. Deposits in four (4) of our six (6) regions including both Michigan regions, east and west, increased 10% or more during the last 9 months.

Let me now turn the presentation over to Jay, who is going to review non-interest income and non-interest expense trends.

Mr. Gould:

Thank you Mike.

Looking at Slide 16, non-interest trends excluding the impact of Florida. Compared with the fourth quarter, non-interest income increased \$700,000. You will recall that fourth quarter mortgage origination volume was especially strong. We typically sell these loans on a lagged basis in the secondary market. A 60% increase in mortgage banking deliveries drove the \$4.6 million increase in mortgage banking income during the quarter. Bank owned life insurance income increased \$2.1 million from the fourth quarter.

Largely offsetting these two positives was a \$4.5 million reduction in other income reflecting lower securitization income and decreased sales of customer derivative products. However, since some of the linked-quarter declines reflected seasonal factors, like the decline in deposit service charges, a more important comparison may be the year-over-year trend and on this basis, total non-interest income increased 19%.

Mortgage banking and bank owned life insurance were major contributors, but even excluding these, total non-interest income was up \$5.9 million, or 8%, reflecting increases in all categories. Specifically, deposit service charges increased 10% primarily reflecting higher corporate maintenance fees as corporate treasurers pay hard dollar fees for deposit services rather than maintain higher demand deposit balances in a low rate environment.

Brokerage and insurance revenue was 19% higher. The growth in our private financial group continues to be a real success story. The primary driver of growth was increased annuity sales. In the first quarter, annuity sales were \$129 million, excluding Florida, up 30% from the year-ago quarter and partially offsetting this increase was an 11% decline in mutual fund sales.

Trust income increased \$1.4 million, or 10% over the prior year primarily reflecting increased revenue from Huntington's proprietary mutual funds. Funds assets excluding Florida ended the quarter at \$2.7 billion, up 6% from a year earlier. The growth in revenue reflected this growth in assets aided by the introduction of five (5) new funds as well as fee increases.

Partially offsetting this growth was the decline in personal trust fees primarily due to the declining asset values. Other service charges were up \$700,000 or 8% reflecting increased ATM and debit card fees.

The only fee-income line item which declined from the year-ago quarter was other income and this was down \$1.7 million, or 14%, due to lower securitization income and again, the decreased sales of customer derivative products. All in all, a very good story regarding the progress being made in growing our fee-based income.

Slide 17 details the change in non-interest expense including the impact of Florida and on this basis, non-interest expense increased \$1.6 million, or 1% from the fourth quarter. Personnel costs were up \$4.2 million largely reflecting higher FICA expenses which occur at the beginning of each year as well as higher benefit expenses.

Outside services increased \$1.7 million reflecting higher processing costs. Marketing expenses increased \$1.9 million reflecting increased spending on a very successful T.V. and media program.

Partially offsetting these increases were a \$3 million decrease in occupancy and equipment expense, mostly reflecting lower depreciation and a \$2.3 million reduction in amortization of non-Florida related intangibles reflecting the impact of the implementation of FAS 142. Other expense is down slightly from the fourth quarter and this reflected the benefit of lower operating losses, telecommunication expenses, professional fees and franchise and other taxes.

Slide 18 shows the trend in our efficiency ratio which has

continued to move down from the fees in the first quarter of last year. It was 55.7% in the first quarter, or 54.1% excluding Florida. With those comments, let me turn the presentation back to Mike.

Mr. McMennamin:

Thanks Jay.

Slide 20 provides an overview of credit quality trends. Although non-performing assets declined \$2 million from the end of the fourth quarter, the non-performing asset ratio increased to 1.17% from 1.05% as a result of the Florida sale, given the lower level of non-performing assets in Florida. Adjusting fourth quarter non-performing assets for the Florida sale, the NPA ratio was unchanged at 1.17%. Reported net charge-offs were 111 basis points, up from 104 basis points in the fourth quarter. Excluding losses on businesses that we have exited and for which reserves were established in the second quarter of last year, adjusted net charge-offs totaled 104 basis points, up from 98 basis points. On the same basis, excluding Florida, adjusted net charge-offs actually declined slightly to 100 basis points during the quarter. I'll provide a little more granularity in just a minute.

We are particularly pleased with the decline in 90-day plus delinquencies. Consumer delinquencies declined to their lowest level since the first quarter of 2000. We'll provide some more detail on the 30-day delinquencies in just a minute. The allowance for loan losses ended the quarter at 2%, up from 1.90% at the end of the last year and considerably higher than the 1.45% of a year ago. Coverage of non-performing assets declined slightly during the quarter to 1.71 times.

Slide 21 is new this quarter and shows the in-flow of new non-performing assets during the quarter declined 13% from the fourth quarter. Also the first quarter was the second consecutive quarterly decline in the in-flow of new non-performing assets. Total non-performing assets are still very high on an absolute basis and could remain so for a while. But this trend is encouraging particularly when combined with a decline in commercial delinquencies from a year earlier.

Slide 22 segments the non-performing assets by industry sector. The overwhelming majority of the \$101 million increase in non-

performing assets from a year ago occurred in the service and manufacturing sectors. With the weakening in the economic activity in recent quarters, the Midwest service and manufacturing sectors have been the most adversely impacted. In the manufacturing sector reduced sales volumes, heavy overhead and leverage capital structures have all contributed to the problem. The service sector represents only 25% of total commercial loans but 35% of our non-performers and 48% of the increase in non-performers from a year ago. Similarly, manufacturing represents only 15% of total commercial loans, but 26% of the non-performing loans and 48% of the increase from a year earlier.

Net charge-offs on Slide 23 are shown on an adjusted basis, that is, excluding the impact of any charge-offs established in the second quarter of 2001 special charge. Adjusted net charge-offs increased to 104 basis points from 98 basis points in the fourth quarter. As shown at the bottom right of the slide, excluding Florida, adjusted charge-offs declined slightly from 104 to 100 basis points. Commercial net charge-offs declined slightly to 131 basis points from 139 in the fourth quarter. Charge-offs continue to be concentrated in the retail trade, manufacturing and service sectors reflecting the broadbased nature of the current economic downturn. The increase in commercial real estate charge-offs was entirely related to one credit which has subsequently been sold in early April. Total consumer net charge-offs were 110 basis points up from 105 in the fourth quarter. This was driven by an 11 basis point increase in total indirect net charge-offs from 151 to 162 basis points. On balance, the remaining consumer lending categories were stable and performing well.

Slide 24 shows the vintage performance of our indirect auto loan and lease portfolios. The performance issues of these two portfolios are very similar. As we have stated before, vintages originated from between the fourth quarter of '99 and the third quarter of 2000, which is the top line on both graphs, have performed poorly. About 20% of this volume was underwritten with FICO scores below 640. In contrast over the last 12 months, less than 3% of new loan and lease originations were below this 640 FICO level.

As a rule of thumb, about 2/3 of the expected losses on auto loans

and leases occur within 24 months of origination. Loans originated during the earlier vintages are now 18-27 months old and are at the peak or at the end of their charge-off cycle. The performance of these vintages in addition to the economic weakness we are experiencing contributed adversely to the first quarter indirect portfolio charge-offs of 162 basis points. Importantly, charge-offs on more recently originated vintages are running about 40% less than the earlier vintages given comparable aging. The good news is that the relevant negative impact on total charge-offs from this earlier originated segment of the portfolio will continue to diminish over coming quarters.

Slide 25 provides another look at delinquency trends, this time 30+ days for total loans and consumer loans. Total loan delinquencies, 30+ days, declined to 1.89% which is their lowest level in the last year. The decline in consumer 30-day plus delinquencies has been significantly more pronounced. This decline has been broadly based across all consumer products and credit quality bands and is significantly more than the normal seasonal decline. Going forward, there are four (4) factors that will impact our consumer charge-off rates in the coming quarters: significant declines in delinquencies that we just talked about should be a positive factor; the higher credit quality and the increasing significance of the post-2000 vintages in the auto loan or lease portfolio will continue to be a positive impact; recent firming in used car prices, another positive factor. However, improvements in consumer credit quality and charge-offs have typically lagged improvements in economic activity in past cycles. Consumer credit quality correlates more closely with employment trends. And employment trends may well deteriorate over the next 1-3 quarters even as the economy recovers, so this could be a negative factor.

Slide 26 recaps the trend in our loan loss reserve which as we noted earlier ended the quarter at 2%. Provision expense equaled net charge-offs of \$55.8 million during the quarter after the \$22 million reduction in the reserve related to the Florida sale. We're very comfortable with the adequacy of the reserve particularly in light of the following factors: first, the above-noted improvement in delinquency trends both commercial and consumer; second, the decline in the addition to non-performing assets over the last two quarters; third, the composition of current loan growth which is

heavily weighted to residential mortgages with very low expected charge-off rates; and lastly, recent strengthening in the economy particularly as it impacts the manufacturing economy of the Midwest.

Let me close my segment of the presentation with some brief comments on capital. Slide 28 details the \$57 million after-tax gain from the sale of our Florida operations. This is less than \$122 million after-tax gain we'd originally estimated last July. Most of the goodwill relating to the Florida operations was non-deductible for tax purposes. As a result, the book basis was greater than the tax basis or, stated differently, the gain for book purposes was \$175 million while the gain for tax purposes was approximately \$300 million, which contributed to the higher tax and the lower after-tax book gain.

Although, turning to Slide 29, the final gain was less than we had originally estimated, this did not impact our projected \$680 million of excess capital generated. The offsets to the lower after-tax gain on the sale was slower balance sheet growth from the third quarter of last year through the first quarter of this year. It's the excess capital generated that impacts our ability to repurchase our stock.

Slide 30 shows capital trends with first quarter ratios significantly bolstered by the excess capital. Assuming continued share repurchase activity, we estimated a tangible common equity ratio will be 7 1/4 to 8% by the end of this year.

As we already announced, the Board approved a 22 million share repurchase program in February. We initiated activity in the open market in late February and have purchased slightly over 3 million shares through April 16. As previously stated, our goal is to utilize our excess capital to repurchase a total of \$300-400 million in 2002.

We do not intend to be a purchaser at any price, however. We will continue to monitor our stock price and earnings valuation versus that of other peer banks. The share repurchase had only a modest impact on earnings per share on the first quarter as the program was started late in the quarter. Let me now turn the call back over to Tom for some closing comments.

Mr. Hoaglin: Thanks Mike.

In closing what you've seen is solid first quarter results in line with expectations though, as with any quarter, there were some pluses and minuses. The big issue regarding future performance remains the strength of any economic recovery and how this will impact the markets we operate in and our customers. Importantly, we're making progress in a number of key areas including growth of loans and deposits, increases in fee-income and more efficient spending of our expense dollars even while making investments to grow the business. At this juncture and against the backdrop of first quarter performance, we remain comfortable with the \$1.32-\$1.36 per share guidance we gave in January.

This completes our prepared remarks. Mike, Jay and I will be happy to take your questions. Let me turn the meeting back over to the Operator, who will provide instructions on conducting the question and answer period. Operator?

Operator: At this time, I would like to remind everyone in order to ask a question, please press star (*), then the number 1 on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from Ed Najarian of Merrill Lynch.

Mr. Najarian: Good afternoon guys. First of all, I want to say great disclosure. Two questions really: first question, any outlook on the margin and how you expect that to trend just sort of giving sort of the general consensus view on the rate environment going forward; and then secondarily, would you expect the indirect auto loan and lease losses to rise for one or two more quarters before peaking or would you anticipate that this quarter is the peak? Thanks.

Mr. McMennamin: Ed, it's Mike. On the margin outlook, as we mentioned, we were 4.21% in the quarter. In the month of March, we were 4.24%. My guess is the margin might move just a little bit higher as opposed to a little bit lower. I don't think that there's going to be dramatic changes in the margin as we saw last year, but on balance, probably a little more wind at our back than our face.

In terms of the indirect loan and lease losses, our sense is that we are likely to see some improvement in the next couple of quarters, obviously, the lag history of consumer charge-offs in relationship to the economy causes a little concern for making that statement, but we think that the improvement in delinquencies is an extremely powerful force and that is very likely to lead to somewhat lower charge-offs in the second and third quarter.

Mr. Najarian: If I could follow-up, how susceptible do you think you are to a bit flatter of a yield curve in terms of margin trend?

Mr. McMennamin: A flatter yield curve would hurt us somewhat but not really very significantly. We really are pretty balanced in terms of our interest rate exposure. We're just slightly liability sensitive. So we get hurt just a little bit if the curve flattened but, again, I don't think it would be material, maybe a few million dollars in the margin.

Mr. Najarian: Okay thank you.

Operator: Your next question comes from Michael Granger, KBW Asset Management.

Mr. Granger: Hi guys. Just on credit quality, seems like the comments today, the numbers, everything pretty much is better than what you were discussing three months ago after the year-end and also relative to the commentary in the annual report. I'm wondering if that is in fact the case if you feel better about credit quality today than you did three months ago and just kind of give us a general feel for what's going on out there in the economy in terms of the manufacturing sector and all the different sectors that are in your markets.

Mr. Hoaglin: Mike this is Tom. We do feel better about credit quality. We're mindful that it's better to err on the cautious side than otherwise, particularly since there still are economic uncertainties. But the signs we've seen recently both in consumer and commercial are encouraging to us. As far as the economy and what we're seeing out here, it's quite positive for this part of the world to see the major auto manufacturers commit to higher production levels as they have done recently. That will positively impact some of our customers to be sure. But at the same time, as far as manufacturing

is concerned we're not seeing yet a rebound in capital spending and in commitment of resources to fixed capital and equipment. I think that's an important next step in the improvement of the economy so we're cautiously optimistic but we aren't euphoric yet.

Mr. Granger: Just a follow-up: are either energy costs or higher insurance rates having any negative impact as far as you can tell on your customers?

Mr. McMennamin: Well I don't think there's any question that the higher insurance rates are obviously a negative for most companies' earnings. They've increased significantly. I think that's just a fact. I don't know how material – I don't think it's been a material factor for companies but at the margin, Mike, it's certainly been a negative.

Mr. Granger: Okay. Thanks very much.

Operator: Your next question comes from Roger Lister, Morgan Stanley.

Mr. Lister: Thank you. Looking at the trends in non-interest income, there seems to be some tremendous positives from a year ago but not quite the same positive trend in the first quarter versus the fourth quarter. As you look out in the rest of the year, which of the segments of sort of a non-interest income are you more optimistic about or are you taking greater confidence given what's going on so far in this year?

Mr. McMennamin: As you know, you can get seasonal factors when you're comparing the linked-quarter. We do think that looking at the year-over-year comparison perhaps a little better. I think on the negative side I think we're going to get lower levels of mortgage banking income as we go forward. This was a very strong quarter for us. We had, as we mentioned, a significant increase, 60%, in deliveries which is what creates the mortgage banking income. So I think we'll have a little bit of wind in our face as we go forward on that front.

We feel very good about the developments in our PFG area, insurance and brokerage products. We feel we do a very, very good job in this area. As we mentioned, we had record annuity sales. Mutual fund sales were off just a little bit but, in this kind of a choppy economic market environment, that's not surprising. So I

think that will be an area of strength for us. I think those would be the two major areas, I think, going forward – deposit service charges will be more positive influence as we go through the year than they were on a link quarter basis where they were a little weak seasonally.

Mr. Hoaglin:

This is Tom, Roger. Mike, I think we could say that we've been very pleased with the performance of Huntington Funds and it's impressive to me that in, as Mike says, a choppy market condition, we're growing the balances in our own proprietary funds deriving a non-interest income benefit from that. And we think we've got a lot of momentum there.

One of the impressive things to me as CEO is that a year ago, people in our company were saying, "Which do you want? Do you want to grow deposits or do you want to sell annuities at our banking centers? You can only do one or the other." Often times, you get that kind of response from retail bankers.

Today, what we're doing, as we pointed out earlier, is growing deposits substantially stronger than we did several years ago and we're hitting record levels of annuity sales. I think it's just indicative of a different attitude and a greater capacity that we're now beginning to see develop in the company.

Mr. McMennamin:

And I think also that strong growth in core deposit, up a billion and a half dollars from the end of March to the end of March this year, that's also creating a sense of confidence in the company that we can make things happen. That's the first time, I think, in the last three years or before that, that deposits had actually grown, so it's a greater sense of confidence, I think, among the associates in the company.

Mr. Lister:

Maybe I could add just a quick follow-up: to what extent are you also pursuing business customers to get more their business to bolster the customer risk adjusted returns, again, sort of the lending kind of relationship?

Mr. Hoaglin:

This is Tom. I'd said it's safe to say that a year ago we were pretty much focusing and talking in terms of loans and you would know, as Mike and I and our colleagues have known for a while, that's

the kind of the old way of doing business. So we've had much greater focus during the last year on deepening relationships with non-spread dependent sources of income on the commercial side. We've got lots of energy focused on that. Are we riding on all cylinders? Absolutely not. But it's something we're giving much more attention to, and I think we're making progress.

Mr. McMennamin: We had a very successful deposit growth campaign in the first quarter focusing on money market deposit accounts, both in the small business as well as in the retail area. That's where, if you look at that growth in core deposits that where the growth is coming from. We think that product is more and more of a core product for particularly the retail and the small business users and that that will help to deepen the relationship. You'll notice CD's for example which are very low margin products, are basically unchanged I think from a year ago.

Mr. Lister: Thank you.

Operator: Your next question comes from David Hilder, Bear Stearns.

Mr. Hilder: Good afternoon gentlemen. I was interested in Mike's comments that though you were a buyer of your stock, you weren't a buyer at any price and that you were going to look at the valuation relative to other banks. I think since the close of the Florida branch sale, your stock has traded at anywhere from a 15-20% premium to other regional banks that I look at, based on cash earnings; obviously you bought back 3 million shares. I would be interested if you would talk about where your price sensitivity comes in or how you look at your valuation for that.

Mr. McMennamin: David this is Mike. Our numbers would be just a little bit different but I think we would show that we're trading at about, perhaps, a 9% premium on a P/E Multiple, vis-à-vis at least a group of peer banks that we look at versus 15% plus.

We're very cognizant of how the stock is trading vis-à-vis other banks that we think are comparable. I would imagine there's no question that our activity in the market has had a positive influence on the stock price. We're interested in maximizing the value of the performance of the stock over a longer period of time. We think it

will be imprudent if we get the stock artificially at higher prices than it could be fundamentally supported at, while we're in the market buying, only to see that drop down sharply after that activity. So we're obviously not going to tell you what price we're buying and what price we're not, but it is something that we pay a lot of attention to.

Mr. Hilder: Thanks very much, that's helpful.

Operator: Your next question comes from Arielle Whitman, Sandler O'Neill.

Ms. Whitman: Hi. Great job you guys. I was just wondering if you could comment – I know there was a question about the net interest margin, but I thought the Florida franchise had a much lower net interest margin and just by divesting that aspect of the company, you would have the net interest margin expansion.

Mr. McMennamin: Well the margin in the fourth quarter was 4.11%. The margin in the month of March was 4.24%. The margin got hurt if we reduced doing a quarter-to-quarter comparison. We did get hurt versus the fourth quarter because of the lag, either the reduced benefit of the re-pricing on the home equity loans. I think that the impact of moving Florida out of the company is probably 12-15 basis points improvement in the margin.

Ms. Whitman: Okay.

Mr. McMennamin: And just as a test of that, we're 4.11 in the fourth quarter, 4.24 in March which is a clean month that there's nothing special going on; Florida was out of those numbers. That's up 13 basis points and there was some negative impact on that month's margin just because of the home equity re-pricing as we mentioned. So something in that 12-15 basis point range.

Ms. Whitman: And you're entering the quarter slightly asset sensitive.

Mr. McMennamin: A little bit liability sensitive.

Ms. Whitman: Liability, okay. All right, thank you.

Mr. McMennamin: Thank you.

- Operator: Your next question comes from Fred Cummings, McDonald Investments.
- Mr. Cummings: Two questions here: first, Mike I wanted to better understand what's going on with volumes in auto loan and lease, the fact that the balance sheet isn't growing. Is that a reflection of generally weaker demand or is it a reflection of heightened competition of you all being a little less aggressive on pricing in those portfolios?
- Mr. McMennamin: Couple of comments Fred. As we said, the total loans are growing but it's a tough environment to grow out of loans but this is a – as you know, the fourth quarter and the first quarter tend to be weak on a seasonal basis so I think we're going to see some seasonal, just a normal seasonal pickup that we would expect to see particularly in the second quarter.
- I don't think our sense is that we're running into any stiffer competition on the pricing front than we have and we'll talk about one trend that we think is interesting. We've just introduced it as you know, we've got risk-based pricing from a credit quality standpoint. We introduced this quarter with risk-based pricing from a loan-to-value perspective where if we have two customers with the same credit quality, one who wants a loan with an 85-90% loan-to-value, the other wants a loan with 105%, we've cut the rate on the lower loan-to-value customer by a significant enough amount that almost – 40-50% of our customers are now in the lower loan-to-value range. Now the impact of that will be a lower net interest margin on that product but we're fairly comfortable that that will be more than offset over a period of time by reduced charge-offs on that product. So we think that's a good trade-off. I think our FICO score in the first quarter was something north of 725. I think that's going to give us a better credit quality picture even with the getting in recent quarters.
- Mr. Cummings: Then as a follow-up, you noted that the new car percentage of originations went from 54 to 59; is that a focused effort on your part to increase the new car originations as opposed to used?
- Mr. McMennamin: Not necessarily a focus. I think it's more a reaction to the low percentage of new cars that we were financing in the fourth quarter

when, as you recall, the manufacturers had the zero percent financing out, so it's snapped back to the 59%. I think in the quarter a year ago, Fred, it was 60%, so it's about the same as it was a year ago.

Mr. Hoaglin: Fred, this is Tom. Another item I've mentioned driving somewhat higher percentage of our total financing is this pricing twist that Mike just mentioned to you by rewarding, if you will, borrowers whose loan-to-value would be lower. What that is doing is giving the dealers incentive to direct more good new car paper to us that we were able to compete for in the past. So not a tremendous impact but a contributor to that increase.

Mr. Cummings: I have one last question. With respect to the reserve levels really looking out over the next 2-3 years and, obviously, you're dealing with some challenging credit issues right now. As you look out, Tom, over the next 2-3 years in the longer term business model, what kind of reserve levels should we expect for Huntington to maintain looking at reserves to loans? Your risk profile is such that I would think that it could be in the neighborhood of 150 to 160 basis points; is that reasonable?

Mr. Hoaglin: Well you know, Fred for quite some time, and certainly as we entered this year we were at the 1.45% level. I suppose it would be dishonest to say that we know exactly where that normal level should be, but I feel quite confident in saying it's a lot lower than 2.00% or 1.90% that we had at the end of the fourth quarter and I'd like that it would be a lot closer to that level that we had established over earlier times.

Mr. Cummings: Okay. Thank you.

Operator: You have another question from Ed Najarian, Merrill Lynch.

Mr. Najarian: Yeah, my question has been answered, thank you.

Operator: Your next question comes from Anthony Lombardi, Merrill Lynch.

Mr. Lombardi: I wonder if you could talk a little bit more – I'm kind of building on David and Fred's question with respect to the credit reserves and also the repurchase options that you have on your stock. But can

you talk a little bit about capital deployment in the world where you're not buying potentially back as much stock as you contemplated when your stock was a little bit lower. You've got tremendous credit leverage, obviously, if things continue to improve as you just alluded to, with your reserve position and potentially where that could go. What are you considering in terms of capital allocations going forward? You had a small acquisition here recently but give us some thoughts in terms of your thinking there.

Mr. McMennamin:

Well, I think, Anthony, that the strategic focus in terms of the capital deployment or the excess capital initially was focused on the stock repurchase. The feeling has been, and I think it still is, that we need to get this company fixed, turned around, moving in the right direction and cooking on a few more cylinders before we were to undertake any kind of a significant acquisition, particularly an acquisition that would affect a significant number of areas in the company as differentiated from an acquisition of a money management firm that effectively won't affect other areas of the company. So I think we, as we mentioned, we're very cognizant of the stock price and its relative valuation. At the end of the day, if we have to sit with just a little bit more capital for a little while longer, we think that's okay. We don't want that capital to burn a hole in our pocket.

Mr. Lombardi:

Great, and related to the ARM activity that you alluded to before on originations, was that equal strength throughout the quarter in terms of January, February, March?

Mr. McMennamin:

Probably slowed down just a little bit as rates rose during the quarter, but it's still a good steady flow of business and it's product we're going to continue to emphasize. We think with this yield curve sloped the way it is and the market betting on significant increases in rates, we do not want to take any significant amount of interest rate risk, but we think the curve is structured right now that, frankly, the market's betting on more increases in short-term rates than we think is probably appropriate. So we think it's a pretty reasonable portfolio investment today for us.

Mr. Lombardi:

Okay great. And I liked the comments on the detail; thank you very much.

Operator: Again, I would like to remind everyone in order to ask a question, please press star (*), then the number 1 on your telephone keypad.

Please hold for your next question.

At this time, there are no further questions.

Mr. Hoaglin: Thank you Operator and thank you for joining us. We really appreciate you taking the time to be with us and we look forward to talking to you next quarter.

Operator: This concludes today's conference. You may now disconnect.

[END OF CALL]

HUNTINGTON BANCSHARES INCORPORATED
Quarterly Financial Review
March 2002

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Huntington Bancshares Incorporated
Consolidated Financial Highlights
Operating Basis ⁽¹⁾
(in thousands, except per share amounts)

For the Three Months Ended March 31,	2002	2001	% Change
Net Income	\$ 77,456	\$ 67,866	14.1 %
Per Common Share Amounts			
Net income			
Basic	\$0.31	\$0.27	14.8
Diluted	\$0.31	\$0.27	14.8
Cash dividends declared	\$0.16	\$0.20	(20.0)
Average Common Shares Outstanding-Diluted	251,953	251,510	0.2
Key Ratios			
Return on:			
Average total assets	1.18%	0.97%	21.6
Average shareholders' equity	13.26%	11.53%	15.0
Efficiency ratio	55.7%	62.0%	(10.0)
Average equity/average assets	8.93%	8.46%	5.6
Net interest margin	4.14%	3.93%	5.3

⁽¹⁾ Income component excludes after-tax impact of the \$56.8 million gain on sale of Florida operations and \$36.5 million restructuring and special charges in 1Q '02.

Huntington Bancshares Incorporated
Consolidated Balance Sheets

<i>(in thousands, except share amounts)</i>	March 31, 2002	December 31, 2001	March 31, 2001
Assets			
Cash and due from banks	\$ 654,312	\$ 1,138,366	\$ 1,006,809
Interest bearing deposits in banks	29,537	21,205	5,011
Trading account securities	4,040	13,392	70,550
Federal funds sold and securities purchased under resale agreements	60,118	83,275	155,738
Loans held for sale	184,353	629,386	388,545
Securities available for sale - at fair value	2,869,826	2,849,579	3,632,034
Investment securities - fair value \$11,400; \$12,499; and \$15,586, respectively	11,264	12,322	15,358
Total loans ⁽¹⁾	19,338,947	21,601,873	20,870,648
Less allowance for loan losses	386,053	410,572	301,777
Net loans	18,952,894	21,191,301	20,568,871
Bank owned life insurance	852,931	843,183	814,502
Goodwill and other intangible assets	209,942	716,054	745,023
Premises and equipment	362,135	452,036	457,504
Customers' acceptance liability	15,558	13,670	16,510
Accrued income and other assets	539,044	536,390	564,733
Total Assets	\$ 24,745,954	\$ 28,500,159	\$ 28,441,188
Liabilities and Shareholders' Equity			
Total deposits ⁽¹⁾	\$ 16,266,785	\$ 20,187,304	\$ 19,130,157
Short-term borrowings	1,803,250	1,955,926	2,700,351
Bank acceptances outstanding	15,558	13,670	16,510
Medium-term notes	1,969,398	1,795,002	2,084,859
Subordinated notes and other long-term debt	938,407	944,330	894,937
Company obligated mandatorily redeemable preferred capital securities of subsidiary trusts holding solely junior subordinated debentures of the Parent Company	300,000	300,000	300,000
Accrued expenses and other liabilities	1,018,618	887,487	909,118
Total Liabilities	22,312,016	26,083,719	26,035,932
Shareholders' equity			
Preferred stock - authorized 6,617,808 shares; none issued or outstanding	---	---	---
Common stock - without par value; authorized 500,000,000 shares; issued 257,866,255; 257,866,255; and 257,866,255 shares, respectively; outstanding 249,991,932; 251,193,814; and 251,001,821 shares, respectively	2,486,832	2,490,724	2,491,848
Less 7,874,323; 6,672,441; and 6,864,434 treasury shares, respectively	(144,199)	(123,849)	(126,532)
Accumulated other comprehensive income (loss)	9,484	25,488	(4,221)
Retained earnings	81,821	24,077	44,161
Total Shareholders' Equity	2,433,938	2,416,440	2,405,256
Total Liabilities and Shareholders' Equity	\$ 24,745,954	\$ 28,500,159	\$ 28,441,188

⁽¹⁾ See Page 4 for detail of Loans and Deposits.

Huntington Bancshares Incorporated
Consolidated Statements of Income
(in thousands, except per share amounts)

	Three Months Ended March 31,	
<i>Operating Basis</i> ⁽¹⁾	2002	2001
Interest and fee income		
Loans	\$ 342,102	\$ 446,785
Securities	44,781	63,834
Other	6,712	7,356
Total Interest Income	393,595	517,975
Interest expense		
Deposits	109,967	185,081
Short-term borrowings	11,605	33,163
Medium-term notes	16,598	36,663
Subordinated notes and other long-term debt	12,600	19,944
Total Interest Expense	150,770	274,851
Net Interest Income	242,825	243,124
Provision for loan losses	55,781	33,464
Net Interest Income After Provision for Loan Losses	187,044	209,660
Total non-interest income ⁽²⁾	126,084	117,724
Total non-interest expense ⁽²⁾	207,386	234,090
Income Before Income Taxes	105,742	93,294
Income taxes	28,286	25,428
Net Income	\$ 77,456	\$ 67,866
Per Common Share		
Net income		
Basic	\$0.31	\$0.27
Diluted	\$0.31	\$0.27
Cash dividends declared	\$0.16	\$0.20
Average Common Shares		
Basic	250,749	250,998
Diluted	251,953	251,510

⁽¹⁾ Excludes after-tax impact of the \$56.8 million gain on sale of Florida operations and \$36.5 million restructuring and special charges in 1Q '02.

⁽²⁾ See Page 5 for detail of Non-Interest Income and Non-Interest Expense.

Huntington Bancshares Incorporated
Loans and Deposits

Loan Portfolio Composition

<i>(in thousands of dollars)</i>	March 31, 2002		December 31, 2001		March 31, 2001	
	Balance	%	Balance	%	Balance	%
Commercial (unearned income \$5,662, \$2,859, and \$1,343)	\$ 5,681,788	29.4	\$ 6,439,372	29.8	\$ 6,729,992	32.2
Commercial real estate	3,645,114	18.8	3,975,562	18.4	3,599,262	17.2
Total Commercial and Commercial Real Estate	9,326,902	48.2	10,414,934	48.2	10,329,254	49.5
Consumer						
Auto leases - Indirect (unearned income \$471,421, \$500,430 and \$520,565)	3,126,101	16.2	3,207,514	14.8	3,175,981	15.2
Auto loans - Indirect (unearned income \$12, \$19, and \$28)	2,561,936	13.2	2,883,279	13.3	2,511,652	12.0
Home equity lines	2,189,649	11.3	2,535,885	11.7	2,223,647	10.7
Residential mortgage	1,075,141	5.6	970,704	4.5	959,852	4.6
Other loans (unearned income \$16, \$24, and \$36)	1,059,218	5.5	1,589,557	7.4	1,670,262	8.0
Total Consumer	10,012,045	51.8	11,186,939	51.8	10,541,394	50.5
Total Loans	\$ 19,338,947	100.0	\$ 21,601,873	100.0	\$ 20,870,648	100.0

Deposit Composition

<i>(in thousands of dollars)</i>	March 31, 2002		December 31, 2001		March 31, 2001	
	Balance	%	Balance	%	Balance	%
Demand deposits						
Non-interest bearing	\$ 2,857,233	17.6	\$ 3,635,173	18.0	\$ 3,256,604	17.0
Interest bearing	4,747,283	29.2	5,723,160	28.4	4,688,109	24.5
Savings deposits	2,895,445	17.8	3,466,305	17.2	3,607,404	18.9
Other domestic time deposits	4,179,814	25.7	5,868,451	29.1	5,897,999	30.8
Total core deposits ⁽¹⁾	14,679,775	90.3	18,693,089	92.7	17,450,116	91.2
Domestic time deposits of \$100,000 or more	895,427	5.5	1,130,563	5.6	1,350,813	7.1
Brokered time deposits and negotiable CDs	451,173	2.8	137,915	0.7	136,147	0.7
Foreign time deposits	240,410	1.4	225,737	1.0	193,081	1.0
Total Deposits	\$ 16,266,785	100.0	\$ 20,187,304	100.0	\$ 19,130,157	100.0

⁽¹⁾ Core deposits include non-interest bearing and interest bearing demand deposits, savings deposits, CDs under \$100,000, and IRA deposits.

Huntington Bancshares Incorporated
Non-Interest Income and Non-Interest Expense
(in thousands)

Analysis of Non-Interest Income

<i>Operating Basis</i> ⁽¹⁾	Three Months Ended March 31,		Percent Change
	2002	2001	
Service charges on deposit accounts	\$ 38,530	\$ 38,907	(1.0) %
Mortgage banking	19,565	10,031	95.0
Brokerage and insurance	18,792	18,768	0.1
Trust services	15,501	14,314	8.3
Bank Owned Life Insurance income	11,676	9,560	22.1
Other service charges and fees	10,632	11,098	(4.2)
Other	10,931	12,968	(15.7)
Total Non-Interest Income before securities gains	125,627	115,646	8.6
Securities gains	457	2,078	(78.0)
Total Non-Interest Income	\$126,084	\$117,724	7.1 %

Analysis of Non-Interest Expense

<i>Operating Basis</i> ⁽¹⁾	Three Months Ended March 31,		Percent Change
	2002	2001	
Personnel costs	\$114,285	\$117,662	(2.9) %
Outside data processing and other services	18,439	16,654	10.7
Net occupancy	17,239	19,780	(12.9)
Equipment	16,949	19,972	(15.1)
Marketing	7,003	9,939	(29.5)
Telecommunications	6,018	7,125	(15.5)
Professional services	5,401	4,969	8.7
Printing and supplies	3,837	5,059	(24.2)
Franchise and other taxes	2,328	2,120	9.8
Amortization of intangible assets	1,376	10,576	(87.0)
Other	14,511	20,234	(28.3)
Total Non-Interest Expense	\$207,386	\$234,090	(11.4) %

⁽¹⁾ Excludes gain on sale of Florida operations from Non-Interest Income and restructuring and special charges from Non-Interest Expense.

Huntington Bancshares Incorporated

Quarterly Net Interest Margin Analysis

(in millions of dollars)

Fully Tax Equivalent Basis ⁽¹⁾	Average Balances				
	2002 First	2001 Fourth Third Second First			
Assets					
Interest bearing deposits in banks	\$ 34	\$ 14	\$ 5	\$ 5	\$ 5
Trading account securities	5	8	8	39	48
Federal funds sold and securities purchased under resale agreements	62	86	86	93	164
Loans held for sale	381	433	344	420	240
Securities:					
Taxable	2,713	2,720	2,896	3,368	3,606
Tax exempt	101	108	140	201	248
Total Securities	2,814	2,828	3,036	3,569	3,854
Loans:					
Commercial	6,045	6,491	6,681	6,741	6,678
Real Estate					
Construction	1,455	1,492	1,388	1,303	1,263
Commercial	2,364	2,397	2,346	2,294	2,324
Consumer					
Auto Leases - Indirect	3,166	3,229	3,243	3,222	3,117
Auto Loans - Indirect	2,730	2,903	2,806	2,575	2,499
Home Equity Lines	2,365	2,489	2,372	2,271	2,189
Residential Mortgage	1,021	892	854	942	960
Other Loans	1,326	1,619	1,658	1,673	1,674
Total Consumer	10,608	11,132	10,933	10,683	10,439
Total Loans	20,472	21,512	21,348	21,021	20,704
Allowance for loan losses	415	393	358	316	307
Net loans ⁽²⁾	20,057	21,119	20,990	20,705	20,397
Total earning assets	23,768	24,881	24,827	25,147	25,015
Cash and due from banks	819	876	910	910	952
All other assets	2,372	2,613	2,609	2,608	2,579
Total Assets	\$ 26,544	\$27,977	\$27,988	\$ 28,349	\$ 28,239
Liabilities and Shareholders' Equity					
Core deposits					
Non-interest bearing deposits	\$ 3,041	\$ 3,406	\$ 3,341	\$ 3,252	\$ 3,213
Interest bearing demand deposits	5,148	5,519	5,096	4,799	4,597
Savings deposits	3,097	3,388	3,472	3,547	3,505
Other domestic time deposits	5,015	5,923	5,940	5,718	5,950
Total core deposits	16,301	18,236	17,849	17,316	17,265
Domestic time deposits of \$100,000 or more	1,052	1,199	1,262	1,294	1,368
Brokered time deposits and negotiable CDs	302	109	120	118	167
Foreign time deposits	270	230	257	377	267
Total deposits	17,925	19,774	19,488	19,105	19,067
Short-term borrowings	1,998	1,907	2,140	2,759	2,504
Medium-term notes	1,967	1,863	1,990	2,005	2,240
Subordinated notes and other long-term debt, including preferred capital securities	1,233	1,183	1,184	1,180	1,171
Total interest bearing liabilities	20,082	21,321	21,461	21,797	21,769
All other liabilities	1,051	889	811	897	869
Shareholders' equity	2,370	2,361	2,375	2,403	2,388
Total Liabilities and Shareholders' Equity	\$ 26,544	\$27,977	\$27,988	\$ 28,349	\$ 28,239

⁽¹⁾ Fully tax equivalent yields are calculated assuming a 35% tax rate.

⁽²⁾ Net loan rate includes loan fees, whereas individual loan components above are shown exclusive of fees.

Huntington Bancshares Incorporated

Quarterly Net Interest Margin Analysis

(in millions of dollars)

Fully Tax Equivalent Basis ⁽¹⁾	Average Rates ⁽³⁾				
	2002 First	2001			
		Fourth	Third	Second	First
Assets					
Interest bearing deposits in banks	2.02 %	2.09 %	3.75 %	5.09 %	5.24 %
Trading account securities	2.79	3.59	3.83	5.15	5.52
Federal funds sold and securities purchased under resale agreements	1.43	2.18	3.20	4.21	5.78
Loans held for sale	6.51	6.64	7.18	6.96	7.19
Securities:					
Taxable	6.43	6.62	6.71	6.26	6.72
Tax exempt	7.76	7.81	7.38	7.26	7.55
Total Securities	6.48	6.66	6.75	6.32	6.77
Loans:					
Commercial	5.39	5.86	6.92	7.44	8.19
Real Estate					
Construction	4.91	5.50	6.62	7.43	8.31
Commercial	6.62	6.85	7.54	7.92	8.40
Consumer					
Auto Leases - Indirect	6.62	6.58	6.67	6.71	6.90
Auto Loans - Indirect	8.03	8.24	8.45	8.70	8.83
Home Equity Lines	5.12	6.22	7.00	8.04	8.93
Residential Mortgage	6.57	7.17	7.54	7.72	7.91
Other Loans	8.88	9.09	9.19	9.13	9.19
Total Consumer	6.92	7.34	7.65	7.94	8.25
Total Loans	6.29	6.71	7.34	7.75	8.25
Allowance for loan losses					
Net loans ⁽²⁾	6.77	7.22	7.87	8.31	8.74
Total earning assets	6.71 %	7.12 %	7.70 %	7.98 %	8.39 %
Liabilities and Shareholders' Equity					
Core deposits					
Non-interest bearing deposits					
Interest bearing demand deposits	1.80 %	2.00 %	2.74 %	2.87 %	3.29 %
Savings deposits	1.87	2.11	3.00	3.42	3.85
Other domestic time deposits	4.99	5.19	5.52	5.83	6.01
Total core deposits	2.46	2.68	3.20	3.42	3.73
Domestic time deposits of \$100,000 or more	3.05	4.68	4.82	5.33	5.97
Brokered time deposits and negotiable CDs	2.48	3.55	4.42	5.57	6.37
Foreign time deposits	1.91	1.99	3.39	4.11	5.45
Total deposits	2.49	2.80	3.32	3.58	3.94
Short-term borrowings	2.36	2.65	3.69	4.37	5.37
Medium-term notes	3.43	4.58	6.12	6.59	6.64
Subordinated notes and other long-term debt, including preferred capital securities	4.14	4.96	5.19	5.96	6.81
Total interest bearing liabilities	3.04 %	3.51 %	4.23 %	4.62 %	5.12 %
Net interest rate spread	3.67 %	3.61 %	3.47 %	3.36 %	3.27 %
Impact of non-interest bearing funds on margin	0.47 %	0.50 %	0.57 %	0.61 %	0.66 %
Net Interest Margin	4.14 %	4.11 %	4.04 %	3.97 %	3.93 %

⁽¹⁾ Fully tax equivalent yields are calculated assuming a 35% tax rate.

⁽²⁾ Net loan rate includes loan fees, whereas individual loan components above are shown exclusive of fees.

⁽³⁾ Loan and deposit average rates include impact of applicable derivatives.

Huntington Bancshares Incorporated
Selected Quarterly Income Statement Data
(in thousands, except per share amounts)

<i>Operating Basis</i> ⁽¹⁾	2002		2001		
	First	Fourth	Third	Second	First
Total Interest Income	\$ 393,595	\$ 443,751	\$ 478,834	\$ 498,959	\$ 517,975
Total Interest Expense	150,770	188,513	229,047	250,926	274,851
Net Interest Income	242,825	255,238	249,787	248,033	243,124
Provision for loan losses	55,781	58,275	49,559	45,777	33,464
Net Interest Income After					
Provision for Loan Losses	187,044	196,963	200,228	202,256	209,660
Service charges on deposit accounts	38,530	42,753	41,719	40,673	38,907
Mortgage banking	19,565	15,768	14,616	18,733	10,031
Brokerage and insurance income	18,792	20,966	19,912	19,388	18,768
Trust services	15,501	15,321	15,485	15,178	14,314
Bank Owned Life Insurance income	11,676	9,560	9,560	9,561	9,560
Other service charges and fees	10,632	12,552	12,350	12,217	11,098
Other	10,931	16,088	15,755	14,956	12,968
Total Non-Interest Income before securities gains	125,627	133,008	129,397	130,706	115,646
Securities gains	457	89	1,059	2,747	2,078
Total Non-Interest Income	126,084	133,097	130,456	133,453	117,724
Personnel costs	114,285	118,143	120,767	122,068	117,662
Outside data processing and other services	18,439	17,992	17,375	17,671	16,654
Net occupancy	17,239	19,950	19,266	18,188	19,780
Equipment	16,949	20,593	20,151	19,844	19,972
Marketing	7,003	6,345	6,921	7,852	9,939
Telecommunications	6,018	6,793	6,859	7,207	7,125
Professional services	5,401	6,235	5,912	6,763	4,969
Printing and supplies	3,837	4,293	4,450	4,565	5,059
Franchise and other taxes	2,328	2,893	2,470	2,246	2,120
Amortization of intangible assets	1,376	10,100	10,114	10,435	10,576
Other	14,511	14,017	14,605	16,457	20,234
Total Non-Interest Expense	207,386	227,354	228,890	233,296	234,090
Income Before Income Taxes	105,742	102,706	101,794	102,413	93,294
Income taxes	28,286	27,214	26,134	27,909	25,428
Net Income	\$ 77,456	\$ 75,492	\$ 75,660	\$ 74,504	\$ 67,866
Per Common Share					
Net Income - Diluted	\$0.31	\$0.30	\$0.30	\$0.30	\$0.27
Cash Dividends Declared	\$0.16	\$0.16	\$0.16	\$0.20	\$0.20
Fully Tax Equivalent Margin:					
Net Interest Income	\$ 242,825	\$ 255,238	\$ 249,787	\$ 248,033	\$ 243,124
Tax Equivalent Adjustment ⁽²⁾	1,169	1,292	1,442	1,616	2,002
Tax Equivalent Net Interest Income	\$ 243,994	\$ 256,530	\$ 251,229	\$ 249,649	\$ 245,126

⁽¹⁾ Income component excludes after-tax impact of the \$56.8 million gain on sale of Florida operations in 1Q '02 and restructuring and special charges (\$36.5 million in 1Q '02; \$9.8 million in 4Q '01; \$33.0 million in 3Q '01; \$72.1 million in 2Q '01).

⁽²⁾ Calculated assuming a 35% tax rate.

Huntington Bancshares Incorporated
Stock Summary, Key Ratios and Statistics, and Capital Data

Quarterly Common Stock Summary

	2002		2001		
	1Q	4Q	3Q	2Q	1Q
High	\$20.310	\$17.490	\$19.280	\$17.000	\$18.000
Low	16.660	14.510	15.150	13.875	12.625
Close	19.700	17.190	17.310	16.375	14.250
Cash dividends declared	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.20	\$ 0.20

Note: Stock price quotations were obtained from NASDAQ

Key Ratios and Statistics

Margin Analysis - As a % of Average Earning Assets ⁽¹⁾	2002		2001		
	1Q	4Q	3Q	2Q	1Q
Interest Income	6.71%	7.12%	7.70%	7.98%	8.39%
Interest Expense	2.57%	3.01%	3.66%	4.01%	4.46%
Net Interest Margin	4.14%	4.11%	4.04%	3.97%	3.93%

Return on ⁽²⁾

Average total assets	1.18%	1.07%	1.07%	1.05%	0.97%
Average shareholders' equity	13.26%	12.68%	12.64%	12.43%	11.53%
Efficiency Ratio ⁽²⁾	55.7%	55.8%	57.5%	58.6%	62.0%
Efficiency Ratio, excluding Florida ⁽²⁾	54.1%	52.5%	54.0%	56.2%	60.2%
Effective tax rate	26.75%	26.50%	25.67%	27.25%	27.26%

Capital Data

<i>(in millions of dollars)</i>	2002		2001		
	1Q ⁽³⁾	4Q	3Q	2Q	1Q
Total Risk-Adjusted Assets	\$24,935	\$27,896	\$27,757	\$27,375	\$27,230
Tier 1 Risk-Based Capital Ratio	10.26%	7.24%	6.97%	7.01%	7.19%
Total Risk-Based Capital Ratio	13.40%	10.29%	10.13%	10.20%	10.31%
Tier 1 Leverage Ratio	9.72%	7.41%	7.10%	6.96%	7.12%
Tangible Equity/Asset Ratio	9.03%	6.04%	5.96%	5.97%	6.01%

⁽¹⁾ Presented on a fully tax equivalent basis assuming a 35% tax rate.

⁽²⁾ Income component excludes the impact of the gain on sale of Florida operations and restructuring and special charges.

⁽³⁾ Estimated.

Huntington Bancshares Incorporated
Loan Loss Reserves

Loan Loss Experience

<i>(in thousands)</i>	2002		2001		
	1Q	4Q	3Q	2Q	1Q
Allowance for loan losses, beginning of period	\$ 410,572	\$ 360,446	\$ 352,243	\$ 301,777	\$ 297,880
Loan losses	(67,527)	(66,808)	(49,386)	(75,472)	(35,649)
Recoveries of loans previously charged off	11,746	10,662	9,643	10,007	7,556
Net loan losses	(55,781)	(56,146)	(39,743)	(65,465)	(28,093)
Allowance of assets sold	(22,297)	---	---	---	---
Allowance of securitized loans	(2,222)	(2,003)	(1,613)	(1,564)	(1,474)
Provision for loan losses ⁽¹⁾	55,781	108,275	49,559	117,495	33,464
Allowance for loan losses, end of period	\$ 386,053	\$ 410,572	\$ 360,446	\$ 352,243	\$ 301,777
As a % of average total loans					
Net loan losses--annualized	1.11%	1.04%	0.74%	1.25%	0.55%
Net loan losses--annualized excluding losses on exited portfolios for which reserves were previously established	1.04%	0.98%	0.61%	0.73%	0.55%
Provision for loan losses--annualized	1.11%	1.07%	0.92%	0.87%	0.66%
Allowance for loan losses as a % of total loans	2.00%	1.90%	1.67%	1.67%	1.45%
Net loan loss coverage ⁽²⁾	2.90x	2.87x	3.81x	3.89x	4.51x

⁽¹⁾ Includes the impact of restructuring and special charges in 4Q '01 and 2Q '01.

⁽²⁾ Income before taxes (excluding gain on sale of Florida operations and restructuring and special charges) and the provision for loan losses to net loan losses.

Huntington Bancshares Incorporated
Asset Quality

Non-Performing Assets and Past Due Loans

<i>(in thousands)</i>	2002		2001		
	1Q	4Q	3Q	2Q	1Q
Non-accrual loans:					
Commercial	\$ 162,959	\$ 159,637	\$ 148,177	\$ 116,044	\$ 62,716
Commercial real estate	43,295	48,360	40,882	26,870	34,893
Residential mortgage	11,896	11,836	11,666	11,868	11,949
Total Non-accrual Loans	218,150	219,833	200,725	154,782	109,558
Renegotiated loans	1,268	1,276	1,286	1,290	1,297
Total Non-Performing Loans	219,418	221,109	202,011	156,072	110,855
Other real estate, net	6,112	6,384	8,050	9,913	14,031
Total Non-Performing Assets	\$ 225,530	\$ 227,493	\$ 210,061	\$ 165,985	\$ 124,886
Non-performing loans as a % of total loans	1.13%	1.02%	0.94%	0.74%	0.53%
Non-performing assets as a % of total loans and other real estate	1.17%	1.05%	0.97%	0.79%	0.60%
Allowance for loan losses as a % of non-performing loans	176%	186%	178%	226%	272%
Allowance for loan losses and other real estate as a % of non-performing assets	171%	180%	171%	211%	239%
Accruing loans past due 90 days or more	\$ 61,746	\$ 91,635	\$ 92,791	\$ 67,077	\$ 102,658

Non-Performing Assets

<i>(in thousands)</i>	2002		2001		
	1Q	4Q	3Q	2Q	1Q
Non-Performing Assets, beginning of period	\$ 227,493	\$ 210,061	\$ 165,985	\$ 124,886	\$ 105,397
New non-performing assets	74,446	85,986	94,990	95,037 ⁽²⁾	53,869
Loan losses	(26,072)	(34,580)	(12,480)	(13,188)	(7,243)
Payments	(37,663)	(28,315)	(34,219)	(19,332)	(24,973)
Sales	(8,925) ⁽¹⁾	(4,131)	(3,331)	(21,306) ⁽²⁾	(1,892)
Other	(3,749)	(1,528)	(884)	(112)	(272)
Non-Performing Assets, end of period	\$ 225,530	\$ 227,493	\$ 210,061	\$ 165,985	\$ 124,886

⁽¹⁾ Includes \$6.5 million related to the sale of Florida.

⁽²⁾ Includes \$14.9 million related to PG&E.

Supplemental Selected Information,
excluding Florida

Huntington Bancshares Incorporated
Loans and Deposits, excluding Florida

Loan Portfolio Composition

<i>(in thousands of dollars)</i>	March 31, 2002		December 31, 2001		March 31, 2001	
	Balance	%	Balance	%	Balance	%
Commercial	\$ 5,681,788	29.4	\$ 5,685,719	30.0	\$ 5,974,635	32.6
Commercial real estate	3,645,114	18.8	3,555,354	18.8	3,180,892	17.3
Total Commercial and Commercial Real Estate	9,326,902	48.2	9,241,073	48.8	9,155,527	49.9
Consumer						
Auto leases - Indirect	3,126,101	16.2	3,207,514	16.9	3,175,981	17.3
Auto loans - Indirect	2,561,936	13.2	2,519,630	13.3	2,151,365	11.7
Home equity lines	2,189,649	11.3	2,096,238	11.1	1,906,412	10.4
Residential mortgage	1,075,141	5.6	777,950	4.1	723,499	3.9
Other loans	1,059,218	5.5	1,095,590	5.8	1,226,905	6.7
Total Consumer	10,012,045	51.8	9,696,922	51.2	9,184,162	50.1
Total Loans	#####	100.0	#####	100.0	#####	100.0

Deposit Composition

<i>(in thousands of dollars)</i>	March 31, 2002		December 31, 2001		March 31, 2001	
	Balance	%	Balance	%	Balance	%
Demand deposits						
Non-interest bearing	\$ 2,857,233	17.6	\$ 2,997,391	19.3	\$ 2,660,698	18.2
Interest bearing	4,747,283	29.2	4,197,893	27.0	3,378,779	23.2
Savings deposits	2,895,445	17.8	2,943,508	19.0	3,036,951	20.8
Other domestic time deposits	4,179,814	25.7	4,077,510	26.3	4,057,346	27.8
Total core deposits ⁽²⁾	14,679,775	90.3	14,216,302	91.6	13,133,774	90.0
Domestic time deposits of \$100,000 or more	895,427	5.5	944,361	6.1	1,130,647	7.8
Brokered time deposits	451,173	2.8	137,915	0.9	136,147	0.9
Foreign time deposits	240,410	1.4	220,749	1.4	187,368	1.3
Total Deposits	#####	100.0	#####	100.0	#####	100.0

⁽¹⁾ Core deposits include non-interest bearing and interest bearing demand deposits, savings deposits, CDs under \$100,000, and IRA deposits.

Huntington Bancshares Incorporated
Non-Interest Income and Non-Interest Expense, excluding Florida
(in thousands)

Analysis of Non-Interest Income

<i>Operating Basis</i> ⁽¹⁾	Three Months Ended March 31,		Percent Change
	2002	2001	
Service charges on deposit accounts	\$ 34,282	\$ 31,143	10.1 %
Mortgage banking	19,644	9,238	112.6
Brokerage and insurance	14,587	12,232	19.3
Trust services	15,096	13,670	10.4
Bank Owned Life Insurance income	11,676	9,560	22.1
Other service charges and fees	9,118	8,415	8.4
Other	10,591	12,315	(14.0)
Total Non-Interest Income before securities gains	114,994	96,573	19.1
Securities gains	457	2,078	(78.0)
Total Non-Interest Income	\$115,451	\$ 98,651	17.0 %

Analysis of Non-Interest Expense

<i>Operating Basis</i> ⁽¹⁾	Three Months Ended March 31,		Percent Change
	2002	2001	
Personnel costs	\$104,320	\$ 99,296	5.1 %
Outside data processing and other services	17,097	14,122	21.1
Net occupancy	14,771	15,568	(5.1)
Equipment	15,582	17,503	(11.0)
Marketing	7,174	8,832	(18.8)
Telecommunications	5,282	5,952	(11.3)
Professional services	5,242	4,793	9.4
Printing and supplies	3,519	4,098	(14.1)
Franchise and other taxes	2,326	2,116	9.9
Amortization of intangible assets	251	3,031	(91.7)
Other	13,487	18,506	(27.1)
Total Non-Interest Expense	\$189,051	\$193,817	(2.5) %

⁽¹⁾ Excludes gain on sale of Florida operations from Non-Interest Income and restructuring and special charges from Non-Interest Expense.

Huntington Bancshares Incorporated
Selected Quarterly Income Statement Data, excluding Florida
(in thousands, except per share amounts)

<i>Operating Basis</i> ⁽¹⁾	2002		2001		
	First	Fourth	Third	Second	First
Total Interest Income	\$ 369,521	\$ 392,978	\$ 427,654	\$ 447,218	\$ 466,098
Total Interest Expense	136,420	156,382	197,742	222,410	247,580
Net Interest Income	233,101	236,596	229,912	224,808	218,518
Provision for loan losses	50,595	54,281	46,027	41,937	29,709
Net Interest Income After					
Provision for Loan Losses	182,506	182,315	183,885	182,871	188,809
Service charges on deposit accounts	34,282	35,220	33,593	32,650	31,143
Mortgage banking	19,644	15,049	13,859	17,672	9,238
Brokerage and insurance income	14,587	15,066	13,943	13,185	12,232
Trust services	15,096	14,679	14,816	14,431	13,670
Bank Owned Life Insurance income	11,676	9,560	9,560	9,561	9,560
Other service charges and fees	9,118	9,582	9,547	9,383	8,415
Other	10,591	15,135	14,722	13,979	12,315
Total Non-Interest Income before securities gains	114,994	114,291	110,040	110,861	96,573
Securities gains	457	89	1,059	2,747	2,078
Total Non-Interest Income	115,451	114,380	111,099	113,608	98,651
Personnel costs	104,320	100,076	101,866	103,707	99,296
Outside data processing and other services	17,097	15,414	14,650	15,100	14,122
Net occupancy	14,771	15,251	14,481	13,755	15,568
Equipment	15,582	18,117	17,580	17,363	17,503
Marketing	7,174	5,305	5,717	6,807	8,832
Telecommunications	5,282	5,647	5,728	5,964	5,952
Professional services	5,242	6,069	5,754	6,481	4,793
Printing and supplies	3,519	3,511	3,693	3,688	4,098
Franchise and other taxes	2,326	2,885	2,439	2,229	2,116
Amortization of intangible assets	251	2,555	2,569	2,890	3,031
Other	13,487	12,599	12,577	14,459	18,506
Total Non-Interest Expense	189,051	187,429	187,054	192,443	193,817
Income Before Income Taxes	108,906	109,266	107,930	104,036	93,643
Income taxes	29,393	28,999	27,394	27,463	24,463
Net Income	\$ 79,513	\$ 80,267	\$ 80,536	\$ 76,573	\$ 69,180
Net Income per Common Share - Diluted	\$0.32	\$0.32	\$0.32	\$0.30	\$0.28
Fully Tax Equivalent Margin:					
Net Interest Income	\$ 233,101	\$ 236,596	\$ 229,912	\$ 224,808	\$ 218,518
Tax Equivalent Adjustment ⁽²⁾	1,169	1,292	1,442	1,616	2,002
Tax Equivalent Net Interest Income	\$ 234,270	\$ 237,888	\$ 231,354	\$ 226,424	\$ 220,520

⁽¹⁾ Income component excludes after-tax impact of the \$56.8 million gain on sale of Florida operations in 1Q '02 and restructuring and special charges (\$36.5 million in 1Q '02; \$9.8 million in 4Q '01; \$33.0 million in 3Q '01; \$72.1 million in 2Q '01).

⁽²⁾ Calculated assuming a 35% tax rate.