

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

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**FORM 8-K**

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

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**Date of Report: July 18, 2002**

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

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Maryland  
(State or other  
jurisdiction of  
incorporation or  
organization)

0-2525  
(Commission File No.)

31-0724920  
(IRS Employer  
Identification Number)

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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)

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## **Item 5. Other Events.**

On July 18, 2002, Huntington Bancshares Incorporated ("Huntington") issued a news release announcing its earnings for the second quarter and six months ended June 30, 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 as 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 July 18, 2002.

Exhibit 99.2 Presentation Transcript of July 18, 2002.

Exhibit 99.3 Presentation Materials, dated July 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: July 24, 2002

By: /s/ Michael J. McMennamin

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Michael J. McMennamin, Vice Chairman,  
Chief Financial Officer, and Treasurer

## EXHIBIT INDEX

Exhibit No.	Description
Exhibit 99.1	* News release of Huntington Bancshares Incorporated, dated July 18, 2002.
Exhibit 99.2	* Presentation Transcript of July 18, 2002.
Exhibit 99.3	* Presentation Materials, dated July 18, 2002.

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\* Filed with this report.

**FOR IMMEDIATE RELEASE**  
**July 18, 2002**

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**HUNTINGTON BANCSHARES REPORTS**  
**SECOND QUARTER 2002 EARNINGS OF \$0.33 PER SHARE**

COLUMBUS, Ohio – Huntington Bancshares Incorporated (NASDAQ: HBAN; [www.huntington.com](http://www.huntington.com)) today reported second quarter earnings of \$82.2 million, or \$0.33 per common share. This compares with earnings of \$2.4 million, or \$0.01 per common share, in the year-ago second quarter, and \$97.7 million, or \$0.39 per common share, in the first quarter of 2002. Year-to-date earnings in 2002 were \$180.0 million, or \$0.72 per common share, compared with \$70.2 million, or \$0.28 per common share, in the comparable year-ago six-month period.

On an operating basis, which excludes one-time items and the impact of the sale of the Florida banking operations (see Basis of Discussion – Operating Earnings below), second quarter 2002 earnings were \$81.7 million, or \$0.33 per common share, both up 3% from first quarter earnings of \$79.5 million, or \$0.32 per common share, and up 8% and 10%, respectively, compared with the year-ago quarter’s operating earnings of \$75.6 million, or \$0.30 per share. Operating earnings for the first six months of 2002 were \$161.2 million, or \$0.65 per common share, up 10% and 12%, respectively, from the comparable prior-year period operating earnings of \$147.1 million, or \$0.58 per common share.

“Our second quarter results represented another milestone in the rebuilding of Huntington from a number of perspectives,” said Thomas Hoaglin, chairman, president and chief executive officer. “The progress we have been making both financially and strategically is becoming more visible. From an operating results standpoint, our net interest margin expanded to 4.30%. Moreover, progress in growing loans and deposits was again evident with annualized growth rates of 7% and 19%, respectively, from the first quarter. Fee income, excluding securities gains

and the anticipated decline in mortgage banking, was up 9% from the first quarter with virtually all fee income categories contributing to this growth. And, importantly, our efficiency ratio improved to 53.2%.”

“We are cautiously optimistic about credit quality trends reflected in the decline in our net charge-off ratio, excluding exited portfolios, to 0.88% from 0.97% in the first quarter driven by improving consumer credit quality,” he continued. “In addition, non-performing assets declined slightly and the inflow of new non-performing assets was again down. We maintained our strong 2.00% reserve ratio with the provision exceeding net charge-offs by \$9.0 million.

“Our share repurchase program moved forward,” he continued, “as we repurchased 7.3 million shares of our stock. This brings our program-to-date purchases to 8.8 million shares.”

“We also made significant progress during the quarter in other important strategic areas,” he said. “First, we further strengthened our management team with the addition of Mary Navarro to head Retail Banking. Mary is a proven retail banker with a depth of knowledge about Huntington’s local markets. Second, our new 401(k) platform was successfully launched ahead of schedule and provides state-of-the-art capability for our business customers. In addition to the seamless conversion of our employee 401(k) plan to this new platform, we have signed up 28 new business customers. Third, we successfully completed the installation and initial training phase of our new banking office Customer Service System. This Windows-based, intranet-compatible customer and service platform provides the infrastructure upon which we can build enhanced customer service and sales capabilities. We have also installed an enhanced teller platform technology in 13% of our branches, with all branches to be converted by year end. Finally, we sold the J. Rolfe Davis Insurance Agency, Inc., our Florida-based property and casualty insurance business, back to its management team as part of our strategic refocusing plan.”

### **Basis of discussion – Operating Earnings**

*Reported results for the past five quarters have been significantly impacted by a number of items, primarily related to the strategic restructuring announced in July 2001 and the subsequent sale of the Florida banking operations in the 2002 first quarter. Reported 2002 first quarter results also included Florida operations for only half the quarter versus a full quarter for each prior quarter. Therefore, to better understand comparable underlying trends, the following discussion is on an operating basis, which has been redefined this quarter. While still excluding the impact of restructuring and other charges and one-time items, operating earnings now also excludes the run-rate impact of the sold Florida banking operations from prior periods. (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**

Second quarter 2002 results compared with sequential first quarter operating performance, adjusted to exclude one-time items and the impact of the sold Florida banking operations, reflected:

- 5% increase in revenue excluding securities gains and decline in mortgage banking income
  - 4% increase in net interest income
    - 4.30% net interest margin, up from 4.21%
    - 7% annualized growth in managed loans
    - 19% annualized growth in core deposits
  - 9% increase in non-interest income, excluding mortgage banking income
- 53.2% efficiency ratio, down from 54.1%
- Improved credit quality and maintained a strong allowance for loan losses

- 0.88% in net charge-offs, excluding net charge-offs on exited portfolios, down from 0.97%
- \$2.3 million decline in non-performing assets and continued decline in the inflow of new non-performing assets
- 2.00% allowance for loan losses ratio maintained at June 30
- Maintained strong capital position
  - 8.41% tangible common equity ratio
  - Repurchased 7.3 million shares, bringing program-to-date repurchases to 8.8 million

Net interest income increased \$8.8 million, or 4%, from the first quarter reflecting a 9 basis point increase in the net interest margin to 4.30% and a \$237 million, or 1%, increase in average earning assets. Average managed loans grew at a 7% annualized rate during the quarter, but this benefit was partially offset by a decline in other earning assets, primarily mortgages held for sale. The increase in the net interest margin was driven by seasonally higher loan fees and the positive impact of the interest rate environment, partially offset by the lagged repricing of the variable rate home equity loan portfolio. Compared with the year-ago quarter, net interest income was up \$16.0 million, or 7%, with the net interest margin increasing 27 basis points from 4.03%.

Average managed loans increased 7% on an annualized basis in the quarter. Loan generation continued to be positively impacted by strong growth in residential mortgages and home equity loans and lines of credit. Average residential mortgages grew \$325.1 million, reflecting, in part, a decision to retain more of these loans on the balance sheet, with home equity loans and lines of credit up \$122.5 million, or at a 17% annualized rate. This reflected continued strong demand for residential mortgages, refinancing activity, and the promotion of adjustable mortgage products. Commercial real estate loans increased \$51.8 million, or at a 6% annualized rate, slower than the 16% and 18% annualized rates of the 2002 first quarter and 2001 fourth quarter, respectively. These increases were partially offset by declines in other loan categories reflecting the continued weakness in the economy and certain sectors. This was especially

noticeable in the \$47.5 million, or 3% annualized decline in commercial loans and \$50.6 million, or 3% annualized, decline in auto loans and leases. Compared with the year-ago quarter, average managed loans were up 5%.

Average core deposits increased \$657.4 million, or at a 19% annualized rate from the first quarter, reflecting continued strong inflows in interest bearing and other domestic time deposits. Deposit inflow has been influenced, in part, by recent turbulence in the financial markets, but also by the success of our sales and deposit growth programs. Compared with the year-ago quarter, average core deposits were up 13%.

Non-interest income before securities gains, and on an operating basis, was down \$0.7 million from the first quarter, reflecting an \$8.9 million decline in mortgage banking income. This decline primarily reflected a 64% decrease in deliveries to the secondary market from the first quarter's very strong performance, and to a lesser degree, a decision to retain a higher percentage of loans on the balance sheet. Excluding mortgage banking, non-interest income was up \$8.2 million, or 9%, from the first quarter reflecting broad-based increases in other fee income categories including trust income, up \$1.2 million, deposit service charges, up \$1.1 million, with other service charges up \$1.4 million. Other income was up \$4.4 million from the first quarter reflecting higher securitization income and a small gain on the sale of an other real estate owned property. Compared with the year-ago quarter, non-interest income on an operating basis and excluding securities gains was up 3%, or 11% excluding a 39% decline in mortgage banking income. Contributing to this year-over-year increase were an 8% increase in deposit service charges, a 14% increase in brokerage and insurance income, a 13% increase in trust income, a 20% increase in bank owned life insurance, with other service charges and other income up 12% and 8%, respectively.

Non-interest expense on an operating basis was up \$1.1 million, or 1%, from the first quarter driven by a \$0.9 million increase in occupancy and equipment costs and a \$1.0 million increase in professional services. These increases were partially offset by a \$0.7 million decrease in personnel costs, reflecting in part, a 2% decline in full-time equivalent staff from March 31 to June 30 due to planned staff reductions, and a \$0.5 million decline in outside

services. Compared with the year-ago quarter, operating non-interest expense was down \$2.3 million primarily reflecting a \$2.7 million decrease in intangible amortization due to a reduction in amortization of non-Florida related intangibles, which was partially offset by increases in outside data processing costs (10%) and marketing expenses (6%). The second quarter efficiency ratio improved to 53.2% from 54.1% in the first quarter, and 56.0% in the year-ago quarter.

Net charge-offs were \$44.9 million in the second quarter and were 0.92% of average loans. Excluding the impact of net charge-offs on exited portfolios, net charge-offs represented 0.88% of average loans, down from 0.97% in the first quarter. The over 30-day delinquency ratio for consumer loans decreased from 2.36% at the end of the first quarter to 2.26% at the end of the second quarter.

Loan loss provision expense in the second quarter was \$53.9 million, exceeding net charge-offs by \$9.0 million. The June 30, 2002 allowance for loan losses as a percent of period-end loans was maintained at 2.00%, but was significantly higher than 1.76% at the end of the year-ago second quarter.

Non-performing assets at June 30, 2002, were \$223.2 million, or 1.14% of period-end loans and other real estate owned, down slightly from \$225.5 million, or 1.17%, at March 31, 2002. The inflow of new non-performing assets declined to \$73.0 million in the second quarter. Non-performing assets continue to be concentrated in the manufacturing and services sectors reflecting weakness in Midwest manufacturing.

At June 30, 2002, the tangible equity to assets ratio was 8.41%, down from 9.03% at March 31, 2002 reflecting the impact of the company's share repurchase program.

## **2002 Outlook**

“Given our solid momentum through the first half of the year and continuing positive trends, we remain comfortable with our previously stated 2002 earnings per share guidance of \$1.32-\$1.36,” Hoaglin said.”

## **Conference Call / Webcast Information**

Huntington’s senior management will host an earnings conference call the same day at 2:00 p.m. EDT. The call may be accessed via a live Internet webcast at [www.huntington-ir.com](http://www.huntington-ir.com) or through a dial-in telephone number at **(800) 782-3741**. Slides will be available at [www.huntington-ir.com](http://www.huntington-ir.com) just prior to 2:00 p.m. ET on July 18, 2002 for review during the call.

A replay of the webcast will be archived in the Investor Relations section of Huntington’s web site [www.huntington.com](http://www.huntington.com). A telephone replay will be available two hours after the completion of the call through July 30, 2002 at (800) 642-1687; conference ID 4798848.

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](http://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**  
**CONSOLIDATED RESULTS OF OPERATIONS**

<i>(in thousands, except per share amounts)</i>	Three Months Ended June 30, 2002				Six Months Ended June 30, 2002			
	Reported Earnings	Restructuring and Other Items	Florida Items <sup>(1)</sup>	Operating Earnings	Reported Earnings	Restructuring and Other Items <sup>(2)</sup>	Florida Items <sup>(1)</sup>	Operating Earnings
Net Interest Income	\$ 241,859	\$ ---	\$ ---	\$ 241,859	\$ 484,684	\$ ---	\$ 9,724	\$ 474,960
Provision for Loan Losses	53,892	---	---	53,892	109,673	---	5,186	104,487
Securities Gains	966	---	---	966	1,423	---	---	1,423
Non-Interest Income	117,014	---	2,710	114,304	242,641	---	13,343	229,298
Gain on Sale of Florida Operations	---	---	---	---	175,344	175,344	---	---
Non-Interest Expense	192,060	---	1,875	190,185	399,446	---	20,210	379,236
Special Charges	---	---	---	---	56,184	56,184	---	---
Income (Loss) Before Income Taxes	113,887	---	835	113,052	338,789	119,160	(2,329)	221,958
Income Taxes	31,647	---	303	31,344	158,822	98,889	(804)	60,737
<b>Net Income (Loss)</b>	<b>\$ 82,240</b>	<b>\$ ---</b>	<b>\$ 532</b>	<b>\$ 81,708</b>	<b>\$ 179,967</b>	<b>\$ 20,271</b>	<b>\$ (1,525)</b>	<b>\$ 161,221</b>
<b>Net Income per Common Share -- Diluted</b>	<b>\$0.33</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.33</b>	<b>\$0.72</b>	<b>\$0.08</b>	<b>(\$0.01)</b>	<b>\$0.65</b>

<i>(in thousands, except per share amounts)</i>	Three Months Ended June 30, 2001				Six Months Ended June 30, 2001			
	Reported Earnings	Restructuring and Other Items <sup>(2)</sup>	Florida Items <sup>(1)</sup>	Operating Earnings	Reported Earnings	Restructuring and Other Items <sup>(2)</sup>	Florida Items <sup>(1)</sup>	Operating Earnings
Net Interest Income	\$ 248,033	\$ ---	\$ 22,150	\$ 225,883	\$ 491,157	\$ ---	\$ 43,256	\$ 447,901
Provision for Loan Losses	117,495	71,718	3,840	41,937	150,959	71,718	7,595	71,646
Securities (Losses) Gains	(2,503)	(5,250)	---	2,747	(425)	(5,250)	---	4,825
Non-Interest Income	130,706	---	19,845	110,861	246,352	---	38,918	207,434
Non-Interest Expense	233,296	---	40,853	192,443	467,386	---	81,126	386,260
Special Charges	33,997	33,997	---	---	33,997	33,997	---	---
(Loss) Income Before Income Taxes	(8,552)	(110,965)	(2,698)	105,111	84,742	(110,965)	(6,547)	202,254
Income Taxes	(10,929)	(38,838)	(1,600)	29,509	14,499	(38,838)	(1,860)	55,197
<b>Net Income (Loss)</b>	<b>\$ 2,377</b>	<b>\$ (72,127)</b>	<b>\$ (1,098)</b>	<b>\$ 75,602</b>	<b>\$ 70,243</b>	<b>\$ (72,127)</b>	<b>\$ (4,687)</b>	<b>\$ 147,057</b>
<b>Net Income per Common Share -- Diluted</b>	<b>\$0.01</b>	<b>(\$0.29)</b>	<b>\$0.00</b>	<b>\$0.30</b>	<b>\$0.28</b>	<b>(\$0.29)</b>	<b>(\$0.01)</b>	<b>\$0.58</b>

<sup>(1)</sup> Includes the impact of J. Rolfe Davis Insurance Agency, sold July 2002.

<sup>(2)</sup> Includes charges related to Huntington's strategic refocusing plan and the gain on sale of Florida operations.

# HUNTINGTON BANCSHARES INCORPORATED

## Key Statistics Reported Basis

<i>(in thousands, except per share amounts)</i>	2Q02	1Q02	2Q01	Percent change vs.	
				1Q02	2Q01
Net Interest Income	\$ 241,859	\$ 242,825	\$ 248,033	(0.4) %	(2.5) %
Provision for Loan Losses	53,892	55,781	117,495	(3.4)	(54.1)
Securities Gains (Losses)	966	457	(2,503)	N.M.	N.M.
Non-Interest Income	117,014	125,627	130,706	(6.9)	(10.5)
Gain on Sale of Florida Operations	---	175,344	---	(100.0)	---
Non-Interest Expense	192,060	207,386	233,296	(7.4)	(17.7)
Special Charges	---	56,184	33,997	(100.0)	(100.0)
Income (Loss) Before Income Taxes	113,887	224,902	(8,552)	(49.4)	N.M.
Income Taxes	31,647	127,175	(10,929)	(75.1)	N.M.
<b>Net Income</b>	<b>\$ 82,240</b>	<b>\$ 97,727</b>	<b>\$ 2,377</b>	<b>(15.8) %</b>	<b>N.M. %</b>
Net Income per common share - diluted	\$0.33	\$0.39	\$0.01	(15.4) %	N.M. %
Cash dividends declared per common share	\$0.16	\$0.16	\$0.20	---	(20.0) %
Book value per common share at end of period	\$9.68	\$9.74	\$9.37	(0.6) %	3.3 %
Average common shares - basic	246,106	250,749	251,024	(1.9) %	(2.0) %
Average common shares - diluted	247,867	251,953	251,448	(1.6) %	(1.4) %
Return on average assets	1.32 %	1.49 %	0.03 %		
Return on average shareholders' equity	14.1 %	16.7 %	0.4 %		
Net interest margin	4.30 %	4.14 %	3.97 %		
Efficiency ratio	53.3 %	55.7 %	58.6 %		
Average loans	\$ 19,530,489	\$ 20,472,192	\$ 21,021,057	(4.6) %	(7.1) %
Average loans - managed <sup>(1)</sup>	\$ 20,700,079	\$ 21,676,613	\$ 22,335,492	(4.5) %	(7.3) %
Average loans - managed - linked quarter annualized growth rate <sup>(1)</sup>	(18.1) %	(19.1) %	5.0 %		
Average earning assets	\$ 22,638,248	\$ 23,768,027	\$ 25,147,463	(4.8) %	(10.0) %
Average core deposits <sup>(2)</sup>	\$ 14,684,719	\$ 16,300,959	\$ 17,316,651	(9.9) %	(15.2) %
Average core deposits - linked quarter annualized growth rate <sup>(2)</sup>	(39.8) %	(43.0) %	1.2 %		
Average total assets - reported	\$ 24,957,208	\$ 26,544,413	\$ 28,348,645	(6.0) %	(12.0) %
Average shareholders' equity	\$ 2,342,963	\$ 2,369,808	\$ 2,403,418	(1.1) %	(2.5) %
Total assets at end of period	\$ 25,381,416	\$ 24,745,954	\$ 27,948,150	2.6 %	(9.2) %
Total shareholders' equity at end of period	\$ 2,351,860	\$ 2,433,938	\$ 2,353,522	(3.4) %	(0.1) %
Net charge-offs (NCOs)	\$ 44,900	\$ 55,781	\$ 65,465	(19.5) %	(31.4) %
NCOs as a % of average loans	0.92 %	1.11 %	1.25 %		
NCOs - excluding exited businesses	\$ 42,515	\$ 52,033	\$ 38,083	(18.3) %	11.6 %
NCOs as a % of average loans - excluding exited businesses	0.88 %	1.04 %	0.73 %		
Non-performing loans (NPLs)	\$ 212,091	\$ 219,418	\$ 156,072	(3.3) %	35.9 %
Non-performing assets (NPAs)	\$ 223,237	\$ 225,530	\$ 165,985	(1.0) %	34.5 %
NPAs as a % of total loans and other real estate (OREO)	1.14 %	1.17 %	0.79 %		
Allowance for loan losses (ALL) as a % of total loans at the end of period	2.00 %	2.00 %	1.67 %		
ALL as a % of NPLs	185.3 %	175.9 %	225.7 %		
ALL and OREO as a % of NPAs	175.7 %	170.9 %	211.2 %		
Tier 1 risk-based capital <sup>(3)(4)</sup>	9.72 %	10.26 %	7.01 %		
Total risk-based capital <sup>(3)(4)</sup>	12.75 %	13.40 %	10.20 %		
Tier 1 leverage <sup>(3)(4)</sup>	9.94 %	9.72 %	6.96 %		
Average equity / assets	9.39 %	8.93 %	8.48 %		
Tangible equity / assets <sup>(4)</sup>	8.41 %	9.03 %	5.97 %		

<sup>(1)</sup> Includes securitized indirect auto loans.

<sup>(2)</sup> Includes non-interest bearing and interest bearing demand deposits, savings deposits, CDs under \$100,000 and IRA deposits.

<sup>(3)</sup> Estimated.

<sup>(4)</sup> At end of period.

N.M. - Not Meaningful.

**HUNTINGTON BANCSHARES INCORPORATED**

**Key Statistics  
Operating Basis <sup>(1)</sup>**

<i>(in thousands, except per share amounts)</i>	2Q02	1Q02	2Q01	Percent change vs.	
				1Q02	2Q01
Net Interest Income	\$ 241,859	\$ 233,101	\$ 225,883	3.8 %	7.1 %
Provision for Loan Losses	53,892	50,595	41,937	6.5	28.5
Securities Gains	966	457	2,747	N.M.	(64.8)
Non-Interest Income	114,304	114,994	110,861	(0.6)	3.1
Non-Interest Expense	190,185	189,051	192,443	0.6	(1.2)
Income Before Income Taxes	113,052	108,906	105,111	3.8	7.6
Income Taxes	31,344	29,393	29,509	6.6	6.2
<b>Net Income</b>	<b>\$ 81,708</b>	<b>\$ 79,513</b>	<b>\$ 75,602</b>	<b>2.8 %</b>	<b>8.1 %</b>
Net Income per common share - diluted	<b>\$0.33</b>	\$0.32	\$0.30	3.1 %	10.0 %
Return on average assets	1.31 %	1.30 %	1.20 %		
Return on average shareholders' equity	14.0 %	13.6 %	12.6 %		
Net interest margin	4.30 %	4.21 %	4.03 %		
Efficiency ratio	53.2 %	54.1 %	56.0 %		
Average loans	\$ 19,530,489	\$ 19,104,434	\$ 18,525,959	2.1 %	5.7 %
Average loans - managed <sup>(2)</sup>	\$ 20,700,079	\$ 20,308,855	\$ 19,840,394	1.8 %	4.6 %
Average loans - managed - linked quarter annualized growth rate	7.4 %	5.1 %	3.2 %		
Average earning assets	\$ 22,638,248	\$ 22,401,271	\$ 22,652,365	1.1 %	(0.1) %
Average core deposits <sup>(3)</sup>	\$ 14,684,719	\$ 14,027,333	\$ 13,042,417	4.7 %	12.6 %
Average core deposits - linked quarter annualized growth rate <sup>(3)</sup>	18.8 %	5.9 %	2.1 %		
Average total assets - reported	\$ 24,957,208	\$ 24,780,354	\$ 25,192,890	0.7 %	(0.9) %
Average shareholders' equity	\$ 2,342,963	\$ 2,369,808	\$ 2,403,418	(1.1) %	(2.5) %
Net charge-offs (NCOs)	\$ 44,900	\$ 49,276	\$ 61,712	(8.9) %	(27.2) %
NCOs as a % of average loans	0.92 %	1.05 %	1.33 %		
NCOs - excluding exited businesses	\$ 42,515	\$ 45,528	\$ 34,330	(6.6) %	23.8 %
NCOs as a % of average loans - excluding exited businesses	0.88 %	0.97 %	0.74 %		
Non-performing loans (NPLs)	\$ 212,091	\$ 219,418	\$ 146,987	(3.3) %	44.3 %
Non-performing assets (NPAs)	\$ 223,237	\$ 225,530	\$ 156,900	(1.0) %	42.3 %
NPAs as a % of total loans and other real estate (OREO)	1.14 %	1.17 %	0.85 %		
Allowance for loan losses (ALL) as a % of total loans at the end of period	2.00 %	2.00 %	1.76 %		
ALL as a % of NPLs	185.3 %	175.9 %	222.1 %		
ALL and OREO as a % of NPAs	175.7 %	170.9 %	207.1 %		

<sup>(1)</sup> Reported basis adjusted to exclude the restructuring and other charges and the results of operations and impact of the sale of the Florida operations.

<sup>(2)</sup> Includes securitized indirect auto loans.

<sup>(3)</sup> Includes non-interest bearing and interest bearing demand deposits, savings deposits, CDs under \$100,000 and IRA deposits.

N.M. - Not Meaningful.

**HUNTINGTON BANCSHARES**  
**2<sup>nd</sup> Quarter Earnings**  
**Leader, Jay Gould**  
**ID# 4798848**  
**07/18/02**

**Date of Transcription: July 21, 2002**

Operator: Good afternoon. My name is Cory, and I will be your conference facilitator. At this time I would like to welcome everyone to the Huntington second 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 one on your telephone keypad. If you would like to withdraw your question, press star, then the number two on your telephone keypad. Thank you, ladies and gentlemen. I would now like to turn the conference over to Mr. Jay Gould, Senior Vice President of Investor Relations. Mr. Gould, you may begin your conference.

Jay Gould: Thank you, Cory, and welcome to today's conference call, everybody. I'm Jay Gould, Director of Investor Relations. Before formal remarks, the usual housekeeping items. Copies of the slides we will be reviewing can be found on our website, [huntington-ir.com](http://huntington-ir.com). This call is being recorded and will be available as a rebroadcast starting later this evening through the end of this month. Please call the investor relations department at 614-480-5676 for more information on how to access these recordings or playbacks or should 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. 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 32 and material filed with the SEC including our most recent 10-K, 10-Q, and 8-K filings. Let's begin.

Participating in today's call will be Tom Hoaglin, Chairman, President, and CEO; and Mike McMennamin, Vice Chairman and Chief Financial Officer.

Turning to slide three, this defines the basis for today's discussion, which has changed from last quarter. With last quarter's major restructuring initiative, reported results have included a number of nonrecurring items. Therefore, for analytical purposes, when

previously discussing underlying trends with analysts and investors, we referred to operating results, which excluded the impact of these items.

However, with the 2002 first quarter sale of our Florida retail and commercial banking business, and given their material impact on many historical numbers, beginning this quarter we are redefining operating results to now also exclude the run rate impact of those sold operations from prior period's results. Doing this makes underlying performance trends more clear. So whenever we refer to operating results today, it now represents reported results adjusted to exclude the impact of restructuring and other charges and on-time items plus the run rate impact of the sold Florida operations.

Please note that we have provided an appendix B to the slides today which repeats selected tables and charts from the first quarter conference call for those wishing to see the impact of this definitional change in operating results from last quarter to this. If you do this comparison, you should know that this quarter, as we were finalizing the historical restatement to exclude the Florida run rate impact, the methodology of calculating the impact on net interest income was refined. As such, there are very slight changes to the net interest income, margin, net income, and charge off numbers presented in last quarter's data, which excluded Florida. There was no EPS impact.

We continue to report numbers on a "reported" or GAAP basis, which makes no such adjustments. These you will find in great detail within our earnings press release and quarterly financial review materials available on our website, [huntington.com](http://huntington.com).

Today's presentation will take about 35 minutes. We want to get started. Tom, let's turn it over to you.

Tom Hoaglin:

Thank you, Jay. Welcome, everyone. Thanks for joining us today.

Before getting into a review of the quarter, there are two recent developments I'd like to cover, as some of you may have questions later about this. First, on July the second we sold our Orlando,

Florida based property and casualty insurance company, J. Rolfe Davis, back to its management team. This sale was consistent with our earlier decision to sell our core banking operations. There will be no material gain or loss impact on third quarter results as a result of the sale. There will also not be a material net income impact going forward on earnings. We remain committed to growing the insurance business within our geographic footprint.

The second item was this morning's announcement regarding the restructuring of our ownership interest in Huntington Merchant Services, our merchant processing business. This also is consistent with our Florida sales strategy. In essence, we sold our Florida merchant processing operations to First Data and restructured the overall relationship. Huntington lowered its equity position in the business and extended our relationship with First Data for ten years. This will result in a third quarter gain of about \$25 million pre-tax, 16 million after tax or \$.06 per share.

This also assured that our merchant clients and the merchant services business we have targeted for growth within our footprint will continue to receive the highest level of service and attention. Going forward there will not be a material run rate impact on earnings as a result of this transaction.

Now let's turn to slide five and begin the second quarter review.

As we have done before, I will begin with a quick review of second quarter accomplishments from my perspective. Mike and Jay will follow with more detailed comments.

We are very pleased with second quarter results for a number of reasons. Second quarter earnings were a solid \$.33 per share and, again, met Street expectations. Managed loans increased at a 7% annualized rate, up from 5% growth in the first quarter. We are very pleased with this loan growth given the state of loan demand in today's market. Residential real estate and home equity loan growth were particularly strong. Not surprisingly, commercial and auto loans and leases continue to decline. Mike will give details later.

The 19% annualized growth in deposits was a real positive. We are continuing to make good progress and growing deposits through our sales initiatives and deposit programs, but our growth, like other banks, is also being positively influenced by the current turbulent financial markets. We are very pleased that core deposits are up 13% over the last year.

Total credit quality trends improved during the quarter driven by a significant improvement in consumer net charge offs, partially offset by higher commercial charge offs. We maintained the loan loss reserve at 2% for the quarter. We have built this loan loss reserve from about 1.5% over a year ago, reflecting the weakness in the economic environment and the deterioration in the credit quality of our loan portfolios.

The level of a loss reserve is a reflection of the quality of the loan portfolios at a point in time, the level of nonperforming assets, and the expectation regarding the economic outlook and its impact on future credit quality trends. We are very comfortable with the adequacy of the reserve.

Turning to slide six, there were also several other meaningful accomplishments. First, we strengthened the management team with the addition of Mary Navarro to head retail banking. Mary is an absolutely terrific banker and has a wealth of knowledge and experience in retail and small business banking, especially within Huntington's Midwest markets. She is a great and enthusiastic leader and a wonderful addition to the team.

One product our business customers are seeking, and Huntington did not have, was a fully functional and user-friendly 401-K capability. That's why we're very pleased to have launched a new state of the art 401-K platform and system. We believe so much in this program, this quarter we converted Huntington's employee 401-K to it. The conversion was very smooth and was completed well ahead of schedule. More important, customer reception has been terrific. We've already signed up 28 new accounts.

Another major accomplishment during the quarter was the completed installation of our Customer Service System, or CSS.

As we told you last quarter, CSS is branch infrastructure, state of the art, Windows and Internet based platform upon which we can enhance and upgrade many of our systems. It already provides our personal bankers faster access to customer information, on-line access to images of checks and deposits, provides customers with hands on demonstration of huntington.com, and speeds customer problem resolution by providing quick access to corporate information policies and procedures.

We've also installed a new and enhanced on-line teller system in 13% of our branches and plan to have it in all the branches by year end. This will replace a 20 year old terminal system we've used in 70% of our offices with the remaining 30% using manual calculators. This new teller system automates many manual functions and provides more information about the total customer relationship. It's already helping to reduce fraud losses by validating the MICR encoding on checks, which identifies counterfeits. It will help reduce operating losses through automated teller balancing and notification of cash exception conditions.

Lastly, we repurchased 7.3 million shares of our stock to bring our program to date repurchases to 8.8 million shares.

With those introductory remarks, let me turn the presentation over to Mike to provide the details. Mike.

Mike McMennamin:

Thanks, Tom. Slide eight provides a quick overview of our performance highlights. And, as Jay mentioned, all of the following slides are on the new operating basis, which for all prior periods excludes restructuring and other items and the run rate of the sold Florida banking operations.

I'll cover these issues in detail in later slides, but the highlights compared with first quarter results include net income of \$81.7 million, \$.33 a share, both up 3%; as Tom mentioned, the annualized growth rate in managed loans and core deposits of 7 and 19 percent respectively; a 4.30% net interest margin, up 9 basis points; 53.2% efficiency ratio, down from 54.1%; 88 basis points of net charge offs excluding exited portfolios, down 9 basis points.

We maintained the 2.00% loan loss reserve ratio. And our tangible common equity ratio was 8.41%.

Turning to slide 9, this slide reconciles reported versus operating earnings with only one small adjustment, the sale of the J. Rolfe Davis Insurance Agency that Tom mentioned. As noted, it had only a small impact on net income and no impact on earnings per share. However, the sale does impact non-interest income and expense comparisons, primarily in a brokerage and insurance fee income line and the personnel cost line item.

Slide 10 shows performance highlights for the second quarter compared with the first quarter and the year-ago quarter. I'll comment in detail on most of these later, so just a couple of observations. First, return on assets and return on equity, while still below acceptable levels, continue to move upward. The improved return on equity versus a year ago is in spite of a lower leveraged capital structure. Second, the reduction in our tangible common equity to asset ratio was expected and is related to our share repurchase activity.

Slide 11 compares the operating results for the second, first, and year-ago quarters. The increase in net income from the first quarter was driven by a 2% increase in revenue or up 5%, excluding mortgage banking income. Net interest income increased \$8.8 million, partially offset by \$3.3 million in higher provision expense and \$1.1 million of higher non-interest expense. The increase in net interest income resulted from a 9 basis point expansion in the net interest margin to 4.30% and a 1% increase in average earning assets.

Compared to the year-ago quarter the 8% increase in net income was driven by a 6% increase in revenue or 8% excluding mortgage banking income. The major offset to the revenue growth was an increase in provision expense. Non-interest expense was down 1% or flat if you adjust for the elimination of the intangible amortization.

I think the important take away for investors is the strong 5 plus percent spread between revenue growth and expense growth over

the last year. We feel this is a very solid performance, especially given the state of the economy and the instability in the financial markets. We are particularly pleased with the revenue growth and the spread between revenue and expense growth we are achieving in a very difficult market environment.

Turning to slide 12, the left hand graph shows the quarterly earnings per share pattern, which after three flat quarters moved up slightly. Not quite the type of increases we'd like to see, but some progress given the continued high credit costs. The right hand graph shows the trends in pre-tax income before provision expense and excluding security gains. This graph measures earnings progress before credit costs, which is perhaps the best metric to see the underlying progress we're making outside of the credit area. Pre-tax income on this basis was \$166 million for the quarter, 4% higher than the first quarter and 15% higher than a year ago. We're continuing to build a solid foundation for future earnings growth.

Slide 13 shows the steady progress we've made in improving the net interest margin in the last five quarters. As we've noted in previous conference calls, this margin expansion has occurred at the same time we've been reducing our interest rate exposure. We continue to be slightly liability sensitive, and there's further detail on our interest rate risk position on slide 35 in appendix A.

The graph on the right hand side shows our earning asset mix of loans, securities, and other earning assets. Other earning assets are primarily mortgaged loans held for resale, which declined slightly during the quarter.

Average managed loan growth is highlighted on slide 14. As a reminder, managed loans include about \$1.2 billion of securitized auto loans. For those of you familiar with this table from prior conference calls, note that beginning this quarter we've reclassified all of our home equity lines and home equity loans into one category, home equity. Previously home equity lines were shown as a separate category, and home equity loans were in the installment category, now labeled other consumer. All prior period data, including net charge off data, have also been changed to reflect this recategorization.

In the second quarter average managed loans increased at an annualized 7% rate from the first quarter. We're very pleased with this given the continued environment, difficult environment in which to grow loans. As we mentioned in earlier conference calls, we began to emphasize residential mortgage loans, primarily the 3/1 and 5/1 ARM products when the declining interest rates last fall created very strong mortgage refinancing activity. That focus continued in the second quarter with average residential mortgage balances increasing \$325 million.

Home equity loan and line growth accelerated significantly to a 17% annualized rate in the quarter versus 5% in the first quarter. Line of credit volumes continue to be positively impacted by the attractiveness of lower rates, as well as our increased emphasis on cross selling home equity lines to our first mortgage customers... while fixed rate loans continue to be prepaid as a result of the relatively high rates on these loans in relationship to current market rates.

Commercial real estate loans increased at a 6% annualized rate in the second quarter, declining from the double digit growth rates of the last three quarters with most of the activity in construction loans as in previous quarters. The composition in this portfolio has changed somewhat over the last year. Consistent with our market strategy to emphasize construction lending versus permanent financing, construction loans have increased from 30% of the portfolio to 36% in the last 12 months. Construction loans provide higher margins, higher fees, and greater portfolio liquidity.

Owner-occupied loans now constitute 35% of the portfolio, up from 33% a year ago. These loans are really C&I loans supported by operating company cash flows that are additionally secured by real estate. Commercial loans declined slightly during the quarter to 3% rate versus 6% rate of decline in the first quarter as corporations continue to be very cautious in their inventory management, capital spending, and acquisition programs. Commercial loan demand has been soft over the last year, reflecting the weakness and the uncertainty in the economic environment. Our commercial loans are down 6% from the year-

ago quarter.

During this time period we have refined our commercial relationship strategy to reemphasize client relationships where we are or have the opportunity to be the primary bank and provide other more profitable non-credit services, such as treasury management, trust and investment services, and depository product sales. In many cases it's difficult to develop these cross selling opportunities with shared national credit.

Reflecting that, total loans to shared national credit declined by about \$500 million or 30% from \$1.5 billion last June to \$1.0 billion dollars today, which accounts for the entire decline in our commercial loan portfolio from a year ago.

Auto loans and leases declined at a 3% annualized rate during the quarter, as expected seasonal strength did not occur. Loan and lease originations did increase from \$700 million in the first quarter to \$790 million in the current... or second quarter, but were down 17% from about \$950 million of originations in the year-ago quarter. New car originations as a percent of total loan and lease originations increased from about 60% to 70% during the quarter.

The reintroduction of zero percent financing being offered by the captives is not expected to have a significant adverse impact on loan volumes as cash-back incentives are also being offered in lieu of the zero percent financing. And in the higher credit quality, lower rate deals, the cash back alternative is better for the customer. Dealers also prefer the cash back alternative because conventional bank financing puts more money in their pockets than does the zero percent financing package.

Slide 15 shows that we had a 19% annualized growth rate in core deposit during the quarter, and that capped a series of strong, consecutive, quarterly, annualized growth rates. The annualized growth rate was 6% in the first quarter, 10% and 14% respectively in the fourth quarter and third quarters of last year. Compared with the year-ago quarter, core deposits are up 13%. Much of the strong growth is focused in money market accounts, both retail and small business. Personal demand deposits also performed strongly, up

12% from the year-ago quarter. The strong deposit growth is a function both of the increased focus and success of our sales management efforts in the branches and also the turbulence we are experiencing in the financial markets.

This quarter on page three of our quarterly financial review, we've added a new table detailing total deposits by business segment, including our six banking regions. Total regional banking deposits at June 30th were up 13% from a year ago. Importantly, all six of our banking regions posted low to mid teen percentage increases.

Slide 16 is new and shows the change in the average total deposits per branch versus a year ago. As just mentioned, total deposits were up 13% from a year ago. As you know, one of our strategic initiatives was to consolidate the number of non-Florida branches. The deposit increase, in addition to a 10% reduction in the number of branches, has resulted in a 26% increase in the average deposits per branch in the last year. We are considerably more efficient in the deposit gathering function than we were a year ago.

Let me now turn the presentation back to Jay who is going to review non-interest income and non-interest expenses.

Jay Gould:

Thank you, Mike. Turning to slide 17, this looks at the trends in non-interest income, excluding security gains compared with the first quarter and year-ago quarter. Compared with the first quarter, non-interest income decreased \$700,000, not quite 1%. However, the very strong mortgage banking income in the first quarter significantly impacts this comparison. Excluding mortgage banking income, non-interest income was up 9% from the first quarter and 11% from the year ago quarter.

Mortgage banking income was \$107 million in the quarter, down \$8.9 million or 45% from the first quarter and 39% below the year ago levels. You will recall that first quarter mortgage banking income was especially strong as we sold the high level of fourth quarter origination volume on a lagged basis into the secondary market. As such, deliveries to the secondary market in the second quarter were down 64%, primarily reflecting a decline from the first quarter's very high level, but also reflecting a decision to retain

more of our mortgage originations on our own balance sheet. Closed loan volume was down 10% from first quarter levels with refinance activity representing 39% of the volume compared with 60% in the first quarter.

Deposit services charges were up \$1.1 million or 3% from the first quarter. The primary driver of this increase was higher personal service charges, especially NSF and overdraft fees. Compared to a year ago, deposit service charges increased 8%, driven by higher corporate maintenance fees as corporate treasurers pay hard-dollar fees for deposit services rather than maintain higher demand deposit balances in a low interest rate environment.

Brokerage and insurance income increased 3% from the first year quarter reflecting very strong retail investment sales, the benefit of which was partially offset by lower investment banking and insurance fees. Mutual fund sales volume was \$55 million in the second quarter, up 28% from the first quarter with annuity sales at \$153 million, up 18%, a new record, and which beat the earlier record of \$129 million last quarter. Compared with the year-ago quarter, brokerage and insurance income was up 14%.

Trust income increased \$1.2 million or 8% from the first quarter, mostly reflecting the first quarter acquisition of Haberer. You may recall, this is an investment manager in Cincinnati with \$500 million in assets under management. Corporate trust income increased 26%, largely due to seasonality of annual renewal fees and institutional sales activities. Partially offsetting these increases was the impact of declining asset values. Compared with a year ago, trust income was up 13%, basically reflecting these same factors.

Other service chargers were up \$1.4 million or 15% from the first quarter, reflecting increased ATM and debit card fees. Compared with the second quarter of last year, other service charges were up 12%. Other income in the current quarter was up \$4.4 million. This reflected higher securitization income and a small gain on the sale of an OREO property, partially offset by lower sales of customer derivative products.

Slide 18 details the change in non-interest expense and shows that non-interest expense was up \$1.1 million from the first quarter. Personnel costs, which account for 54% of total non-interest expense, were down \$700,000 reflecting lower benefit expense as well as lower staff. Full time equivalent staff at June 30 was down 168 or 2% from March 31 reflecting planned staff reductions. The impact of these declines is partially offset by higher mutual fund and annuity sales commissions. Compared with the year-ago quarter, personnel costs were flat.

Occupancy and equipment expense was up \$900,000 reflecting mostly higher depreciation associated with technology investments, including the new intranet banking platform launched last quarter, the implementation of our customer service system, and mainframe infrastructure improvement. Compared with a year ago, occupancy and equipment expense was flat.

Other expenses up \$1.5 million or 5%, primarily reflecting a \$1 million increase in professional services are related to higher collection and legal expenses in our consumer lending area. Compared with the year-ago quarter, other expense was down 5%.

Slide 19 shows the trend in our efficiency ratio, which is continuing to move down from the peak in the first quarter of last year and was 53.2% in the second quarter. For those comments, let me turn the presentation back to Mike to review credit and capital.

Mike McMennamin:

Thanks, Jay. Slide 21 provides an overview of our credit quality trends. First, we saw a modest decline in nonperforming assets, which resulted in a slight improvement in our nonperforming asset ratio to 1.14% of loans in OREO, roughly unchanged in the last three quarters. Net charge offs, excluding losses on the exited portfolios, declined from 97 basis points to 88 basis points during the quarter with a substantial decline in auto loan and lease charge offs but an increase in our commercial charge offs. Ninety day plus delinquencies improved slightly during the quarter and were basically unchanged from a year ago. I'll comment on 30 day consumer delinquency trends in just a minute.

The allowance for loan losses was unchanged at 2.00% and up from 1.76% at the end of the year ago quarter. With the maintenance of the reserve percentage and the modest decline in nonperforming assets, our nonperforming asset coverage ratio improved slightly to 176% during the quarter.

Slide 22 shows the recent trends in nonperforming assets. Our nonperforming assets were down slightly for the quarter. The longer-term trend has flattened out over the last three quarters. The Midwest, with its concentration in service and manufacturing sectors continues to be adversely impacted by the uncertain economic environment.

Let me provide some additional nonperforming asset detail on slide 23. This slide was introduced last quarter and shows the recent quarterly nonperforming asset activity. As you can see, the inflow of new nonperforming assets slowed slightly to \$73 million in the second quarter and has declined significantly from the \$95 million of new nonperforming assets added in each of the middle quarters of 2001. The stabilization and slight decline in nonperforming assets over the last two quarters is encouraging, although it's certainly too early to say there's any clear-cut trend developing. However, we do expect to see lower nonperforming assets by year end and into next year, assuming the economy continues to improve moderately.

Slide 24 segments the nonperforming assets by industry sector. The bar chart on the right shows which sectors have contributed to the \$120 million increase in nonperforming assets over the last 18 months with the services and manufacturing sectors accounting for most of the change. Nonperforming assets continue to be concentrated in these two sectors at 30% each. While loans for the manufacturing industry represent only 15% of our total commercial loans, they represent 30% of nonperforming assets.

Similarly, the service sector represents 25% of total commercial loans but 30% of nonperformers. Fourteen percent of the nonperformers are from the finance, insurance, and real estate sector, and six percent are in construction. After that, the sector contribution falls off very rapidly.

Slide 25 shows net charge offs adjusted to exclude charge offs from the exited portfolios. You'll recall from earlier conference calls, the reserves were established in the year-ago quarter for two loan portfolios we were exiting - truck and equipment, and sub prime auto loans. Adjusted net charge offs declined from 97 to 88 basis points during the quarter, and this improvement was more than we had anticipated three months ago. Commercial net charge offs increased from 115 to 153 basis points during the quarter with the manufacturing and service sectors continuing to produce the majority of our charge off activity.

Capital intensive manufacturers continue to be leveraged from an operating perspective and are experiencing slow or negative revenue growth. Service related companies in the computer, entertainment, and health care businesses represented 54% of our second quarter losses.

Commercial real estate charge offs declined from 42 basis points to 22 basis points reflecting a decline from the high first quarter charge off rates, which was caused by one credit. Total consumer net charge offs dropped from 107 basis points to 75 basis points in the first quarter. This was driven by a decline in auto loans and leases where net charge offs declined very sharply from 1.56% to 1.01%, following the significant decline in delinquencies that we experienced in the first quarter. The increase in residential charge offs during the quarter to 18 basis points was caused by the charge off of one loan.

Slide 26 shows the vintage performance of our indirect auto loan and lease portfolios. Performance issues of these two portfolios are very similar. As we've stated before, loans and leases originated between the fourth quarter of 1999 and the third quarter of 2000, which are the top lines on both graphs, have performed poorly. About 20% of that volume of originations was underwritten with FICO scores below 640, which is typically considered D quality paper.

In contrast, over the last 12 months, less than 3% of new originations were below this threshold. And in the first half of

2000, about 1% of total loans and leases underwritten had FICO scores below 640. Reflecting this change and other underwriting changes, the average FICO scores increased significantly over the last two years.

We mentioned last quarter that as a rule of thumb about two-thirds of the expected losses on auto loans and leases tend to occur within 24 months of origination. Loans and leases originated during the late 1999 - 2000 vintage are now 21 to 30 months old and are at or past their peak of their charge off cycles. You'll also note that this quarter we've segmented a new 2002 vintage. The disproportionate decline in the 2001 vintage, percentage of the total loan portfolio from 61 to 43 percent for loans on the left hand chart, as during the quarter, reflects the sale of the Florida auto loans to SunTrust in the first quarter.

The good news is that the impact of the high charge off vintages is rapidly diminishing. Originations during that time period represent 20% and 27% of the current loan and lease portfolios respectively. As such, these vintages should help to reduce future charge off rates in auto loans and leases.

Slide 27 provides another look at consumer delinquency trends on both a 30 plus day basis and a 90 day basis. The 30 day delinquency rate is an important early indicator of future charge off rates as our well established role rate trends from the 30 day delinquency category into the more severely delinquent buckets and eventually charge offs.

The sharp decline in 30 plus day delinquencies in the first quarter has been maintained and actually further improved by 10 basis points during the quarter. However, giving consideration to seasonal patterns, we do expect delinquencies and ultimately charge offs to increase slightly in this portfolio over the next two quarters.

Slide 28 recaps the trend in our loan loss reserve, which was maintained at 2.00% during the quarter. Provision expense exceeded charge offs by \$9 million, thus providing for loan growth for the quarter.

As Tom mentioned, we continue to be very comfortable with the adequacy of our reserves, particularly in light of the following factors: the improvement in consumer delinquency trends experienced in the first half and reduced charge offs in the second quarter; the decline in new additions to nonperforming assets over the last two quarters; the composition of recent loan growth which is heavily weighted towards low risk residential mortgages; and, also, tentative evidence that the economy is improving, albeit at a slow rate.

Let me close my segment with some brief comments regarding capital. Slide 30 shows capital trends with first quarter ratios significantly bolstered by the excess capital resulting from the February sale of Florida banking operations. As expected, share repurchase activity reduced these capital ratios during the quarter, although they remain very strong. Assuming continued share repurchase activity at recent levels, the tangible common equity to asset ratio at year end would be in the 7½ to 8 percent range.

Slide 31 shows the Board approved a 22 million share repurchase program in February. We initiated activity in the open market in late February and purchased 1.5 million shares in the first quarter and another 7.3 million in the second quarter, bringing the program to date repurchases to a total of 8.8 million shares. The value of shares repurchased was \$175 million.

As previously stated, our goal is to utilize our excess capital to repurchase a total of \$300 to \$400 million of stock in 2002. We continue to be disciplined buyers and will monitor our stock price and earning valuation versus that of other peer banks as we make our repurchase decisions.

Let me turn the call back over to Tom for some closing comments.

Tom Hoaglin:

Thanks, Mike. In closing, the second quarter was a good quarter for Huntington. Our results continued to improve. Revenue is increasing. We continue to get more out of our expense dollars. Loans are growing nicely in a difficult environment. The sale of deposits, annuity products, and mutual funds all reflect strong

growth. The credit quality is improving. Our investments in better technology for our people are beginning to show results.

In addition, I just finished a series of meetings with Huntington associates in all our markets over the last 30 days. I can report to you that Huntington associates are excited about what we're beginning to accomplish together. They're taking great pride in being part of a Huntington team. With every new success they're more motivated and confident. We still have much to do, but we are making good progress. At this juncture and against the backdrop of first half performance, we remain comfortable with the \$1.32 to \$1.36 per share guidance we gave you 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:

Thank you, sir. At this time I would like to remind everyone, if you would like to ask a question, please press star, then the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from Mr. John Balkind with Fox Pitt.

John Balkind:

Hi, guys.

Male Speaker:

Hi, John.

Male Speaker:

Hi, John.

John Balkind:

Just a quick housekeeping question. Could you talk a little bit about the variance in the securitization income in the quarter, and what was the actual OREO gain?

Mike McMennamin:

In the first quarter we actually -- we had a normal level of securitization level in the second quarter.

John Balkind:

Okay.

Mike McMennamin: The increase was because in the first quarter we actually had an impairment of \$2 million in our interest only strip that we wrote down. So this is just bringing it back to a normal level. We had a little bit over a one million dollar gain on the sale of an OREO property down in Florida that's been with us for some time. So those two transactions, John, accounted for a little bit over \$3 million.

John Balkind: Sounds good. Appreciate it, Mike.

Operator: Your next question comes from Mr. Ed Najarian with Merrill Lynch.

Ed Najarian: Good afternoon, guys, and congratulations on a good quarter. Just a quick question on the credit losses and basically the break out of the credit losses. Great job, obviously, reducing the indirect auto losses. Can you give a little more color on what's driving up the commercial losses? I know you outlined, you know, a bit of color there, but any more insight you can give on what's driving up the commercial losses and if you have any insight on when that might peak in future quarters.

Mike McMennamin: Ed, as we mentioned, I think 72% of the losses in the second quarter were pretty much the same suspects, manufacturing and service industry. I know that we are seeing an adverse impact in the manufacturing industries and the service industry in the Midwest, both from the slow down in the auto business and also the problems in the steel industry in Northern Ohio. About 50% of the losses we incurred in the quarter were from shared national credit.

In terms of when do we expect this to turn around, I wish I had a crystal ball. I think as we get towards the back end of the credit cycle, which we do feel we're not there now, we're just about there, we're going to try to push these problem credits through the pipeline just as quickly as we can. So in a perverse sense, I'm not sure that the higher charge offs are not a harbinger of better things as we go forward. Obviously, what we need to see in that regard, if we're going to take that perspective, we do need to see the declines in the nonperforming assets, and we are cautiously optimistic that

we're about to see some improvement in those numbers. They've basically been flat for the last three quarters.

Ed Najarian: So do you think that goes up before it goes down, or have we reached a peak here, or don't want to speculate?

Mike McMennamin: Well, I really don't know. I would hope that we've reached a peak with 1.5% losses in the commercial portfolio. But we just don't know right now, Ed.

Ed Najarian: And I think you mentioned something regarding, you know, 52% of those losses were from some kind of -- on the technology side, or could you give a little more insight on what you said there?

Mike McMennamin: I think we, get my comments, I think we said that --

Ed Najarian:: Something about technology services.

Mike McMennamin: -- hold on just one sec. Let me get out my notes. Service -- just companies in the service industry, they were in -- 54% of our losses were, in the quarter, were from companies in the service industry, primarily in the computer, entertainment, and health care businesses.

Ed Najarian: Okay. Thanks.

Operator: Your next question comes from Mr. Dave George from A.G. Edwards.

Dave George: Good afternoon. I was wondering if you could comment on your outlook for the margin in the second half of the year. Thanks.

Mike McMennamin: Dave, the margin came in -- it was a great quarter for us from a margin standpoint, as I think we mentioned, part of the strength was just some seasonal loan fees that come in. I think that the margin probably -- I'd be very surprised if the margin goes up from here. I would not be surprised if it went down a few basis points in the second half of the year. I think we talked last quarter when we reported a 421 margin we said there might be just a little bit of upward pressure on the margin in the near term. We do not expect

to see higher margins going forward.

Dave George: Thanks, Mike. I appreciate it.

Mike McMennamin: Yeah.

Operator: We now have a question from Mr. Fred Cummings of McDonald Investments.

Fred Cummings: Yes. Good afternoon. Mike, I think you said, in reviewing your national shared credit exposure, could you review the decline that's occurred year over year in the portfolio and also talk about where you expect it to be, say, over the next 12 months?

Mike McMennamin: Fred, the shared national credit, and these are numbers as of June 30th, so unlike the loan numbers we give, they're not average numbers during the quarter, but at June 30th they declined from a little bit less than \$1.5 billion a year ago to just under a \$1.0 billion, at June 30th. So they're down about \$460 or \$470 million dollars.

We're being a lot more selective as we look at these credits. If they're credits that are in our market area that we have opportunities to provide, either we are or have opportunities to provide noncredit services to, we certainly want to be continuing to loan to those credit worthy companies. We don't want to just be a lender, however, and I think that strategy being a little more assertive on that has had an impact in terms of the reduction of those volumes.

Fred Cummings: Second question, Mike. Can you comment on the composition of the inflows into non-accrual? Are those primarily national shared credit at the \$74 million number I believe?

Mike McMennamin: Fred, I don't think they are. Most of the credits that have been coming in have continued to be in the manufacturing and the services and the financial institutions and real estate area. To my knowledge they're not -- they're all relatively small credits, so it's one manufacturing credit that, with a \$12 million credit, the rest of them were \$5 million or below. So they tend to be the smaller

credits for the most part.

Fred Cummings: Okay. Thank you.

Operator: Your next question comes from Mr. Steven Gresdo with Second Curve Capital.

Steven Gresdo: Hi, guys. Good afternoon. Great quarter.

Male Speaker: Thank you.

Male Speaker: Thanks, Steven.

Steven Gresdo: Just one thing I was looking at here in the payment pattern you've had in your NPA line looks great, and it's been increasing at a pretty good clip. Is there anything we can read into that that you guys might be doing specifically, or have there been certain credits that you've gotten larger payments on than you might have bought in the past and why? Thanks.

Mike McMennamin: Steve, I think the payment line really correlates, at least on a loose basis, with the losses that you've taken. If you look at that slide and, with that, year-ago quarter we had \$19 million payments, and we took losses of \$13 million. This quarter we had losses of \$28 on nonperformers that were recognized and \$44 million of payments, so we had -- I think the math works out that typically you probably expect to lose over a period of time, maybe a third have losses, something like a third on your nonperforming loans. So that implies that for every dollar in losses you take, maybe you get a couple dollars of sales or payments that come in at the same time. But I think it's really just tied to the greater recognition of losses in that portfolio.

Steven Gresdo: Thanks.

Operator: At this time there are no further questions. Gentlemen, are there any closing remarks?

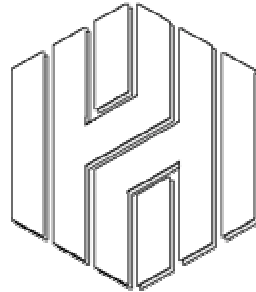
Jay Gould: No. This is Jay. I guess if there are no further questions, we thank you all for participating in today's call. We look forward to talking

to you. If you have any further questions, please call investor relations, either Susan or myself. Thank you again.

Operator:

This concludes today's Huntington's second quarter earnings conference call. You may now disconnect.

[END OF CALL]



**Huntington**

**Second Quarter Earnings Review**

**July 18, 2002**



# Meeting Participants

**Tom Hoaglin**

– **Chairman, President and Chief Executive Officer**

**Mike McMennamin**

– **Vice Chairman and Chief Financial Officer**

**Jay Gould**

– **Sr. Vice President – Investor Relations**

# Basis of Presentation – Operating Basis



## **Revised Definition**

**Reported results for the past five quarters have been significantly impacted by a number of items, primarily related to the strategic restructuring announced in July 2001 and the subsequent sale of the Florida banking operations in the 2002 first quarter. In addition, reported 2002 first quarter results included Florida operations for only half the quarter versus a full quarter for each prior quarter.**

**Therefore, to better understand underlying trends, the following slides and discussion are on an operating basis, which excludes the effect of these items from all prior periods, including the impact of the Florida operations.**

**Please refer to the schedules accompanying the 2002 second quarter earnings press release, as well as the 2002 second quarter Quarterly Financial Review for schedules reconciling reported with operating earnings and additional schedules excluding the impact of the Florida operations.**

**This presentation basis is the same used in prior quarterly review conference calls with the one exception that the impact of the sold Florida banking operations are now excluded. Refer to Appendix B for selected slides using the prior operating basis definition.**



# Recent Developments

## Third Quarter Events

7/02/02 – Sold J. Rolfe Davis Insurance Agency, Inc.

- ♦ Consistent with Florida strategy
- ♦ Terms not disclosed
- ♦ No material financial impact going forward
- ♦ Remain committed to growing insurance business within footprint

7/18/02 – Restructured ownership interest in Huntington Merchant Services, LLC

- ♦ Consistent with Florida strategy
- ♦ Terms not disclosed
- ♦ Estimated \$25 million pre-tax (\$16 million after tax) gain on sale
- ♦ No material financial impact going forward
- ♦ Remain committed to growing merchant services business within footprint



# Second Quarter Highlights

## *Solid financial performance*

- ◆ **EPS of \$0.33... met expectations**
- ◆ **7% annualized growth in loans**
- ◆ **19% annualized growth in deposits**
- ◆ **Improved credit quality trends**
  - **Lower net charge-offs**
  - **Lower NPAs**
- ◆ **2.00% loan loss reserve ratio**



# Second Quarter Highlights

## Key Accomplishments

- ◆ **Hired Mary Navarro to head Retail Bank**
- ◆ **Launched new business 401(k) product**
- ◆ **Completed installation and initial training of the new banking office Customer Service System platform**
- ◆ **Installed new teller technology in 13% of the branches...completion by year end**
- ◆ **Repurchased 7.3 million shares... 8.8 million shares to date**



# *Financial Performance*

# 2002 Second Quarter Performance Highlights <sup>(1)</sup>



*(\$MM)*

◆ Net income	\$81.7
◆ Earnings per share	\$0.33
◆ Managed loan growth	7 %annualized
◆ Core deposit growth	19 %annualized
◆ Net interest margin	4.30 %
◆ Efficiency ratio	53.2 %
◆ Net charge-offs - adjusted <sup>(2)</sup>	0.88 %
◆ NPAs	\$223.2
◆ Loan loss reserve / loans	2.00 %
◆ Tangible common equity ratio	8.41 %

(1) Excludes impact of Florida banking operations sold in 1Q02 and Florida insurance agency sold 7/2/02

(2) Excludes impact of net charge-offs on exited portfolios

# Second Quarter 2002 Earnings



<i>(\$MM)</i>	<u>Reported</u>	Florida <u>Operations</u> <sup>(1)</sup>	<u>Operating</u>
Net interest income	\$ 241.9		\$ 241.9
Provision	(53.9)		(53.9)
Non-interest income	117.0	\$ 2.7	114.3
Securities gains	1.0		1.0
Non-interest expense	<u>(192.1)</u>	<u>(1.9)</u>	<u>(190.2)</u>
Pretax income	<u>113.9</u>	<u>0.8</u>	<u>113.1</u>
Net income	<u>\$ 82.2</u>	<u>\$ 0.5</u>	<u>\$ 81.7</u>
EPS	<u><u>\$ 0.33</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 0.33</u></u>

(1) J. Rolfe Davis Insurance Agency, Inc.



# Performance Highlights <sup>(1)</sup>

	<u>2Q02</u>	<u>1Q02</u>	<u>2Q01</u>
EPS – operating	\$0.33	\$0.32	\$0.30
ROA	1.31 %	1.30 %	1.20 %
ROE	14.0	13.6	12.6
Efficiency ratio <sup>(2)</sup>	53.2	54.1	56.0
NIM	4.30	4.21	4.03
Tangible common equity/assets <sup>(3)</sup>	8.41	9.03	5.97

(1) Operating basis - Excludes after tax impact of restructuring and other charges of \$36.5 MM in 1Q02, \$72.1 MM in 2Q01, the \$56.8 MM after tax gain on the sale of Florida operations in 1Q02, the impact of Florida banking operations sold in 1Q02 and Florida insurance agency sold 7/2/02

(2) Excludes intangible amortization of \$0.3 MM in 1Q02 and \$0.2 MM in 2Q02

(3) Period end.

# 2002 Second Quarter Earnings <sup>(1)</sup>



(\$MM)	<u>2Q02</u>	<u>1Q02</u>	<u>2Q01</u>	Change B (W) vs.		
				<u>1Q02</u>	<u>2Q01</u>	
				<u>Amt.</u>	<u>Amt.</u>	<u>Pct.</u>
Net interest income	\$241.9	\$233.1	\$225.9	\$ 8.8	\$16.0	7.1 %
Provision	(53.9)	(50.6)	(41.9)	(3.3)	(12.0)	(28.5)
Non-interest income	114.3	115.0	110.9	(0.7)	3.4	3.1
Securities gains	1.0	0.5	2.7	0.5	(1.8)	(64.8)
Non-interest expense	<u>(190.2)</u>	<u>(189.1)</u>	<u>(192.4)</u>	<u>(1.1)</u>	<u>2.3</u>	1.2
Pretax income	<u>113.1</u>	<u>108.9</u>	<u>105.1</u>	<u>4.1</u>	<u>7.9</u>	7.6
Net income	<u>\$ 81.7</u>	<u>\$ 79.5</u>	<u>\$ 75.6</u>	<u>\$ 2.2</u>	<u>\$ 6.1</u>	8.1 %
EPS	<u>\$ 0.33</u>	<u>\$ 0.32</u>	<u>\$ 0.30</u>	<u>\$ 0.01</u>	<u>\$0.03</u>	10.0 %
Revenue (FTE) <sup>(2)</sup>	\$357.2	\$349.3	\$338.4	\$ 8.0	\$18.9	5.6 %

(1) Operating basis - Excludes after tax impact of restructuring and other charges of \$36.5 MM in 1Q02, \$72.1 MM in 2Q01, the \$56.8 MM after tax gain on the sale of Florida operations in 1Q02, the impact of Florida banking operations sold in 1Q02 and Florida insurance agency sold 7/2/02

(2) Calculated assuming a 35% tax rate and excluding securities gains

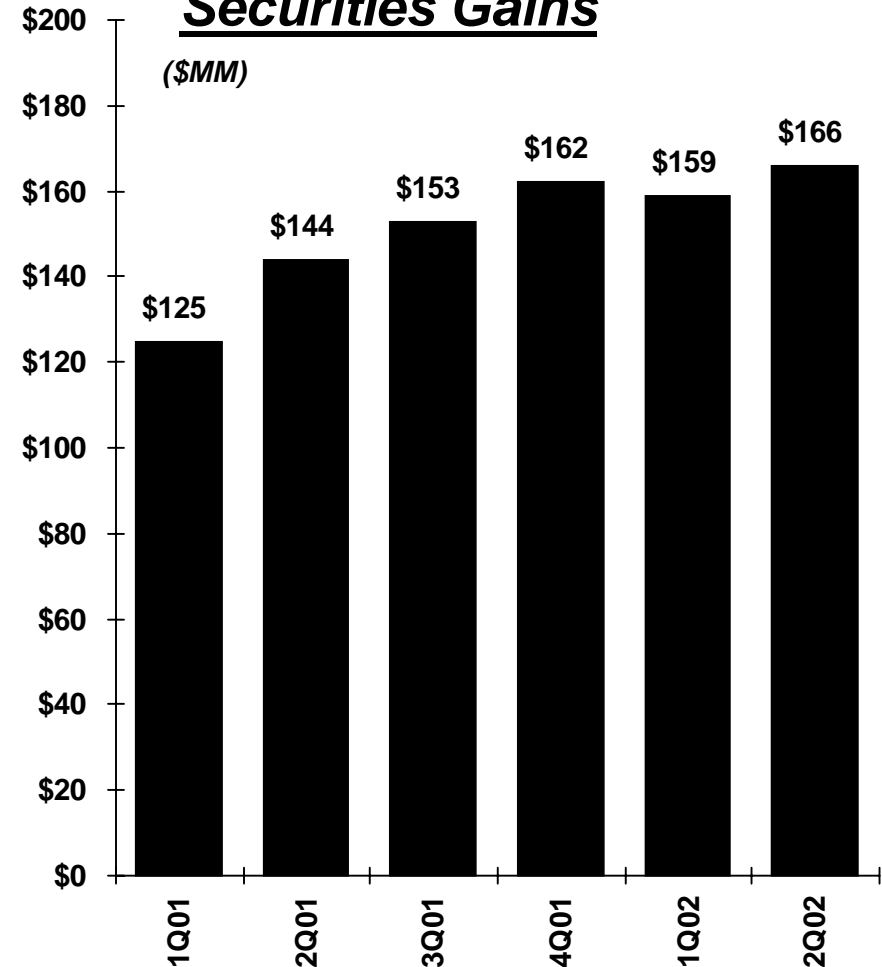


# Performance Trends <sup>(1)</sup>

## Earnings Per Share



## Pretax Income Before LLP and Securities Gains

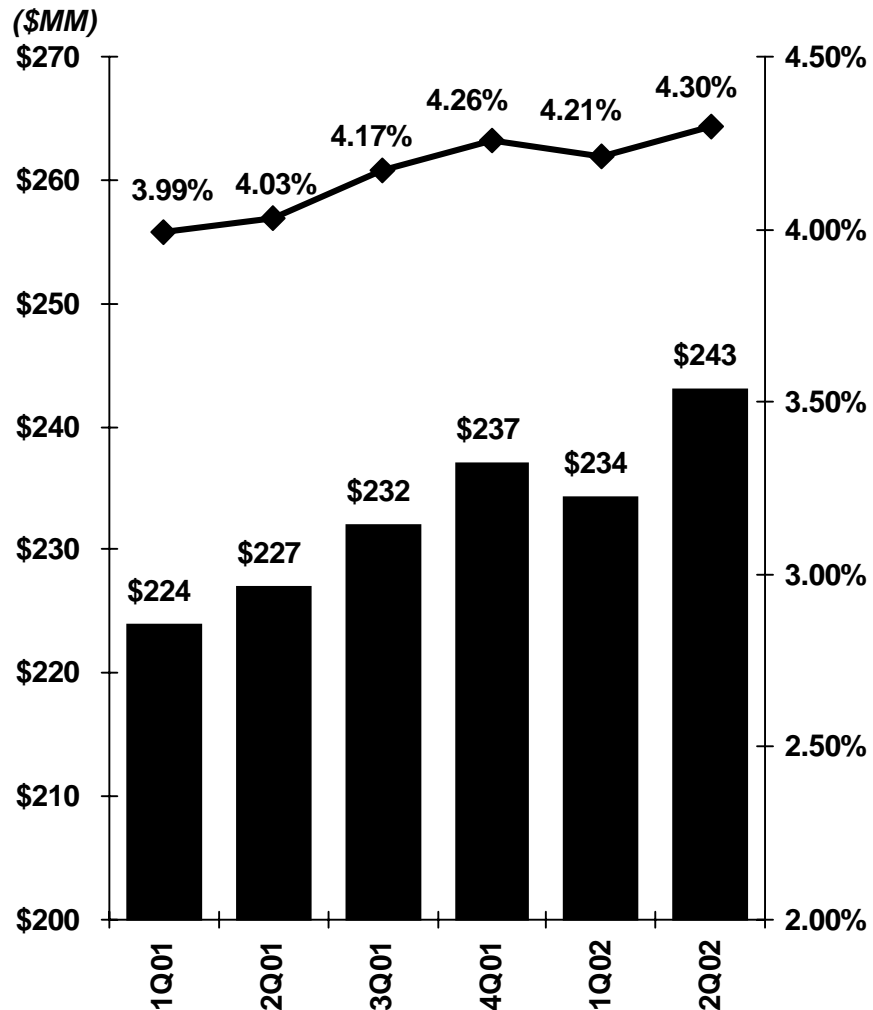


(1) Operating basis - Excludes after tax impact of restructuring and other charges of \$36.5 MM in 1Q02, \$72.1 MM in 2Q01, the \$56.8 MM after tax gain on the sale of Florida operations in 1Q02, the impact of Florida banking operations sold in 1Q02 and Florida insurance agency sold 7/2/02

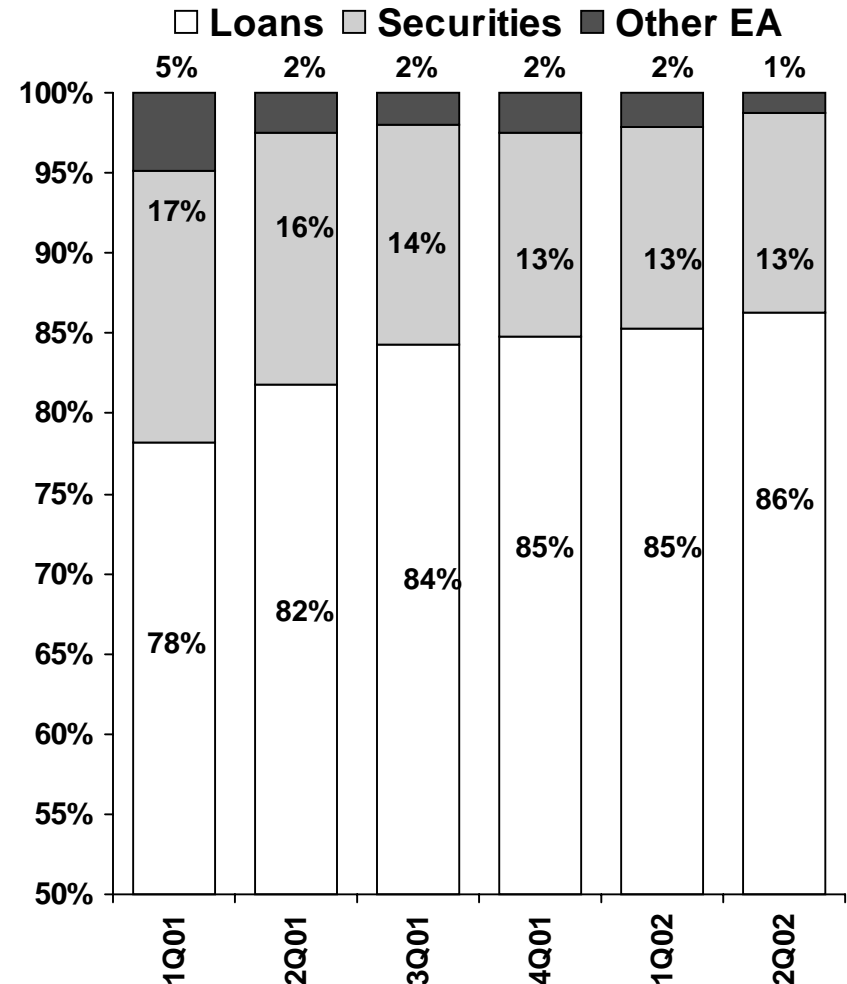


# Performance Trends <sup>(1)</sup>

## Net Interest Income & Margin (FTE)



## Earning Asset Mix (Avg)



(1) Excludes impact of Florida banking operations sold in 1Q02



# Managed Loan Growth <sup>(1)</sup>

<u>Average</u> (\$B)	<u>Annualized Growth</u>			2Q02 vs. <u>2Q01</u>
	<u>2Q02</u>	2Q02 vs. <u>1Q02</u>	1Q02 vs. <u>4Q01</u>	
Commercial	\$ 5.6	(3)%	(6) %	(6) %
Commercial real estate	<u>3.7</u>	6	16	15
Total commercial/CRE	<u>9.3</u>	---	2	1
Auto loan / lease	6.9	(3)	(1)	1
Home equity	2.9	17	5	9
Residential real estate	1.2	75	62	43
Other consumer	<u>0.4</u>	(10)	(19)	(15)
Total consumer	<u>11.4</u>	13	8	7
Managed loans	<u><u>\$20.7</u></u>	7 %	5 %	5 %

(1) Growth percentages normalized for residential real estate loan securitizations and impact of Florida banking operations sold in 1Q02



# Core Deposit Trends <sup>(1)</sup>

<u>Average</u>	(\$B)	<u>Annualized Growth</u>		
		2Q02 vs.	1Q02 vs.	2Q02 vs.
	<u>2Q02</u>	<u>1Q02</u>	<u>4Q01</u>	<u>2Q01</u>
Demand	\$ 2.7	--- %	(12) %	3 %
Interest bearing	4.9	51	35	42
Savings	2.8	(3)	(5)	(6)
CD's	4.2	12	(3)	7
Total	<u>\$14.7</u>	19 %	6 %	13 %

(1) Growth percentages normalized for impact of Florida banking operations sold in 1Q02



# Total Deposits per Branch <sup>(1)</sup>

Average (\$MM)

	<u>June '02</u>	<u>June '01</u>	<u>% Change</u>
Central Ohio / WV	\$62.4	\$48.0	30 %
N. Ohio	46.9	36.5	28
W. Michigan	34.4	25.4	36
E. Michigan	48.6	43.5	12
Cincinnati / Dayton / KY	34.5	30.9	12
Indiana	29.0	24.7	18
<b>Total average / branch</b>	<b>\$45.7</b>	<b>\$36.4</b>	<b>26 %</b>
<b># of branches</b>	<b>331</b>	<b>369</b>	<b>(10)</b>

(1) Excludes deposits attributable to Dealer Sales and PFG lines of business, brokered deposits, and negotiable CDs.



# Non-interest Income <sup>(1)</sup>

	(\$MM)	<u>Better or (Worse) vs.</u>		
		<u>2Q02</u>	<u>1Q02</u>	<u>1Q02</u> <sup>(2)</sup> vs. <u>2Q01</u>
Deposit service charges	\$ 35.4	\$ 1.1	3 %	8 %
Mortgage banking	10.7	(8.9)	(45)	(39)
Brokerage / insurance	15.0	0.4	3	14
Trust income	16.2	1.2	8	13
Bank Owned Life Ins.	11.4	(0.2)	(2)	20
Other service charges	10.5	1.4	15	12
Other	15.0	4.4	42	8
<b>Total</b>	<b><u><u>\$114.3</u></u></b>	<b>\$ (0.7)</b>	<b>(1) %</b>	<b>3 %</b>
<b>Total excl mortgage banking</b>	<b>\$103.6</b>	<b>\$ 8.2</b>	<b>9 %</b>	<b>11 %</b>

(1) Excludes security gains and gain on sale of the Florida banking operations in 1Q02 and Florida insurance agency sold 7/2/02

(2) Linked quarter percentage growth is not annualized.



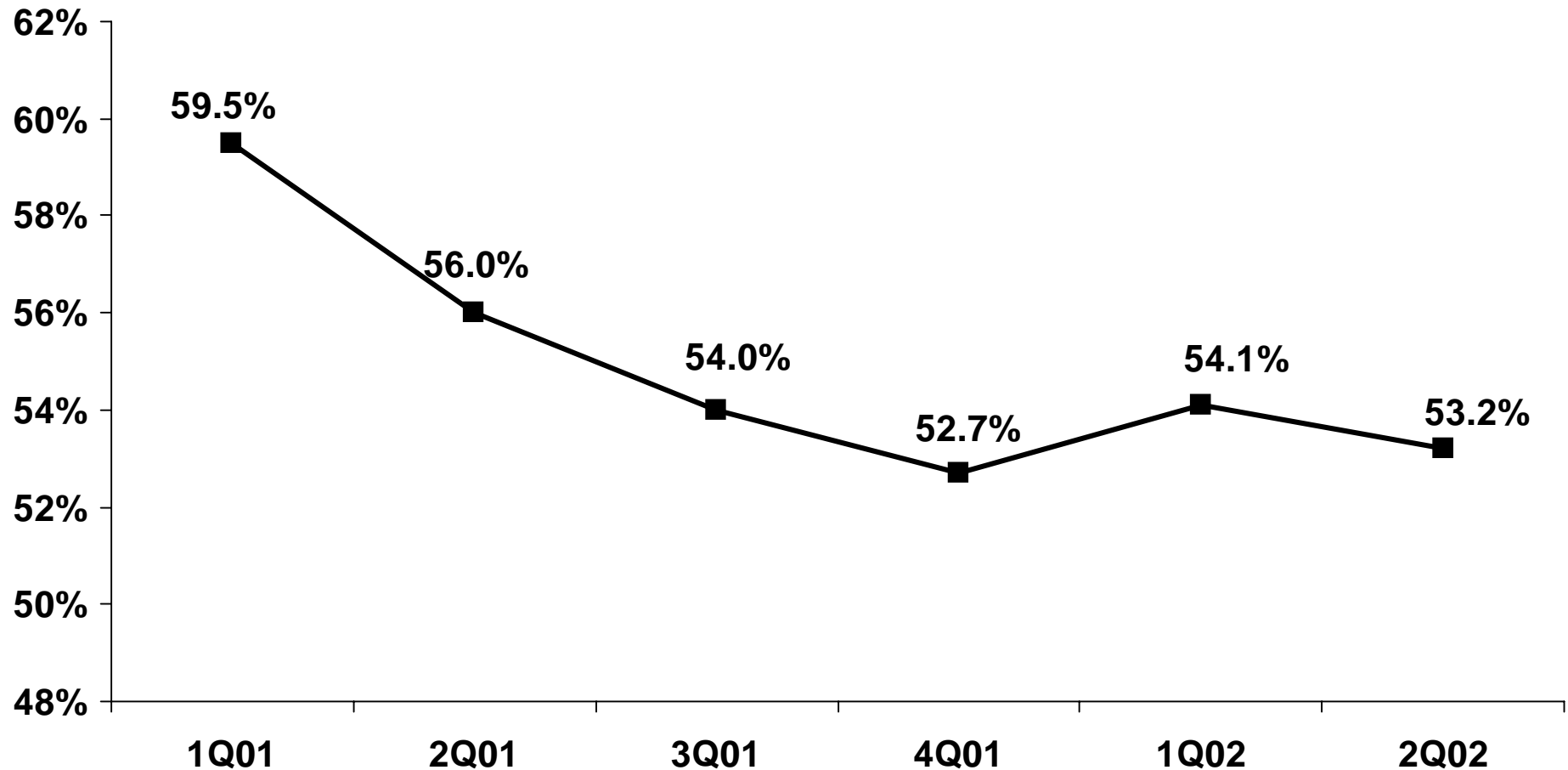
# Non-interest Expense <sup>(1)</sup>

(\$MM)	<u>2Q02</u>	<u>Better or (Worse) vs.</u>		
		<u>1Q02</u>	<u>1Q02</u> <sup>(2)</sup>	<u>2Q01</u>
Personnel costs	\$103.6	\$ 0.7	1 %	--- %
Occupancy & equipment	31.3	(0.9)	(3)	---
Outside services	16.6	0.5	3	(10)
Marketing	7.2	---	(1)	(6)
Amortization of intangibles	0.2	---	19	93
Other	31.3	(1.5)	(5)	5
<b>Total</b>	<u><u>\$190.2</u></u>	<u>\$ (1.1)</u>	<u>(1) %</u>	<u>1 %</u>

(1) Excludes pretax impact of restructuring charges and other charges of \$56.2 MM in 1Q02 and \$34.0 MM in 2Q01 and Florida insurance agency sold 7/2/02

(2) Linked quarter percentage growth is not annualized

# Efficiency Ratio <sup>(1)</sup>



(1) FTE Revenue excluding securities gains and gain on sale of Florida operations / non-interest expense excludes intangible amortization and restructuring and other charges. Excludes impact of Florida banking operations sold in 1Q02 and Florida insurance agency sold 7/2/02



# *Credit Review*



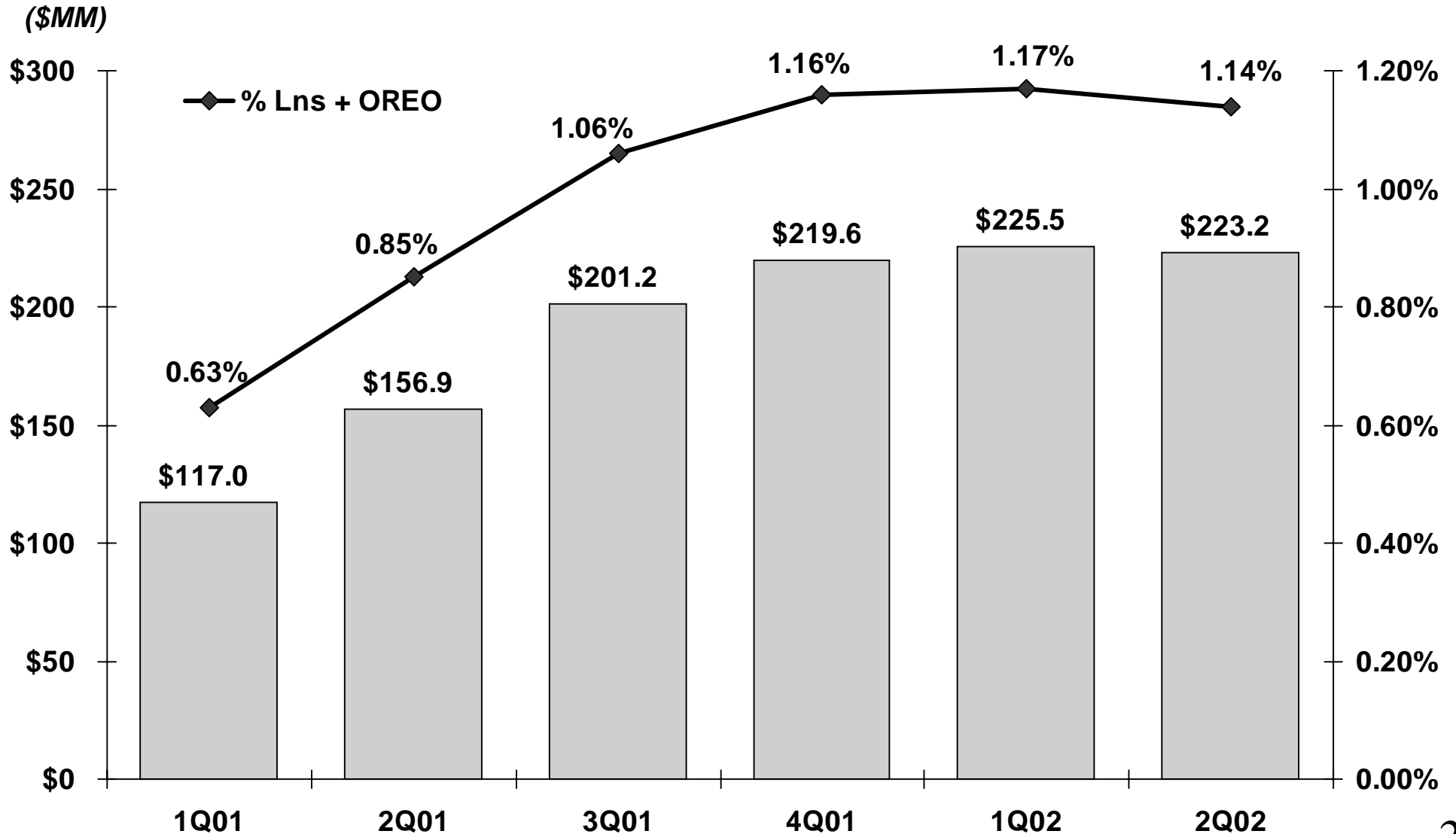
# Credit Quality Overview <sup>(1)</sup>

	<u>2Q02</u>	<u>1Q02</u>	<u>2Q01</u>
<b>NPAs / total loans + OREO</b>	<b>1.14 %</b>	<b>1.17 %</b>	<b>0.85 %</b>
<b>Net charge-offs - adjusted <sup>(2)</sup></b>	<b>0.88</b>	<b>0.97</b>	<b>0.74</b>
<b>90+ days past due</b>	<b>0.30</b>	<b>0.32</b>	<b>0.29</b>
<b>Consumer</b>	<b>0.41</b>	<b>0.44</b>	<b>0.47</b>
<b>Commercial</b>	<b>0.15</b>	<b>0.14</b>	<b>0.08</b>
<b>Commercial RE</b>	<b>0.20</b>	<b>0.26</b>	<b>0.16</b>
<b>Reserve / total loans</b>	<b>2.00</b>	<b>2.00</b>	<b>1.76</b>
<b>Reserve / NPAs</b>	<b>176</b>	<b>171</b>	<b>207</b>

(1) Excludes impact of Florida banking operations sold in 1Q02.

(2) Excludes impact of net charge-offs on exited portfolios.

# Non-performing Asset Composition <sup>(1)</sup>



(1) Excludes impact of Florida banking operations sold in 1Q02.

# Non-Performing Asset Flow Analysis – Reported Basis<sup>(1)</sup>



## Period End (\$MM)

	<u>2Q02</u>	<u>1Q02</u>	<u>4Q01</u>	<u>3Q01</u>	<u>2Q01</u>
NPA beginning of period	\$225.5	\$227.5	\$210.1	\$166.0	\$124.9
<b>New NPAs</b>	<b>73.0</b>	<b>74.4</b>	<b>86.0</b>	<b>95.0</b>	<b>95.0</b>
Loan losses	(28.3)	(26.1)	(34.6)	(12.5)	(13.2)
Payments	(44.3)	(37.7)	(28.3)	(34.2)	(19.3)
Sales <sup>(2)</sup>	(2.4)	(8.9)	(4.1)	(3.3)	(21.3)
Other	<u>(0.3)</u>	<u>(3.7)</u>	<u>(1.5)</u>	<u>(0.9)</u>	<u>(0.1)</u>
NPA end of period	\$223.2	\$225.5	\$227.5	\$210.1	\$166.0

(1) Impact of Florida not material.

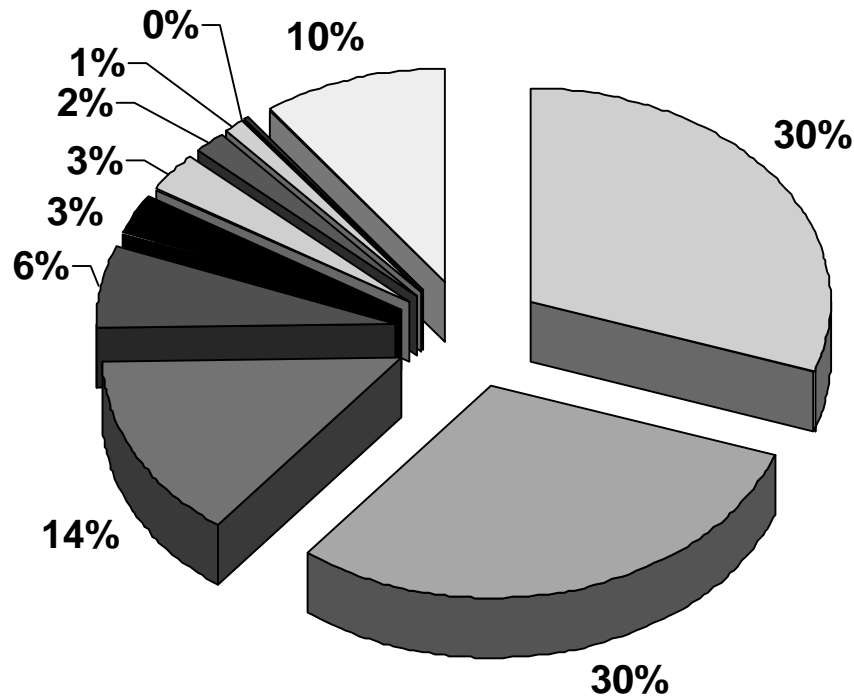
(2) 1Q02 includes \$6.5 MM related to the sale of Florida banking operations and 2Q01 includes \$14.9 MM related to PG & E.



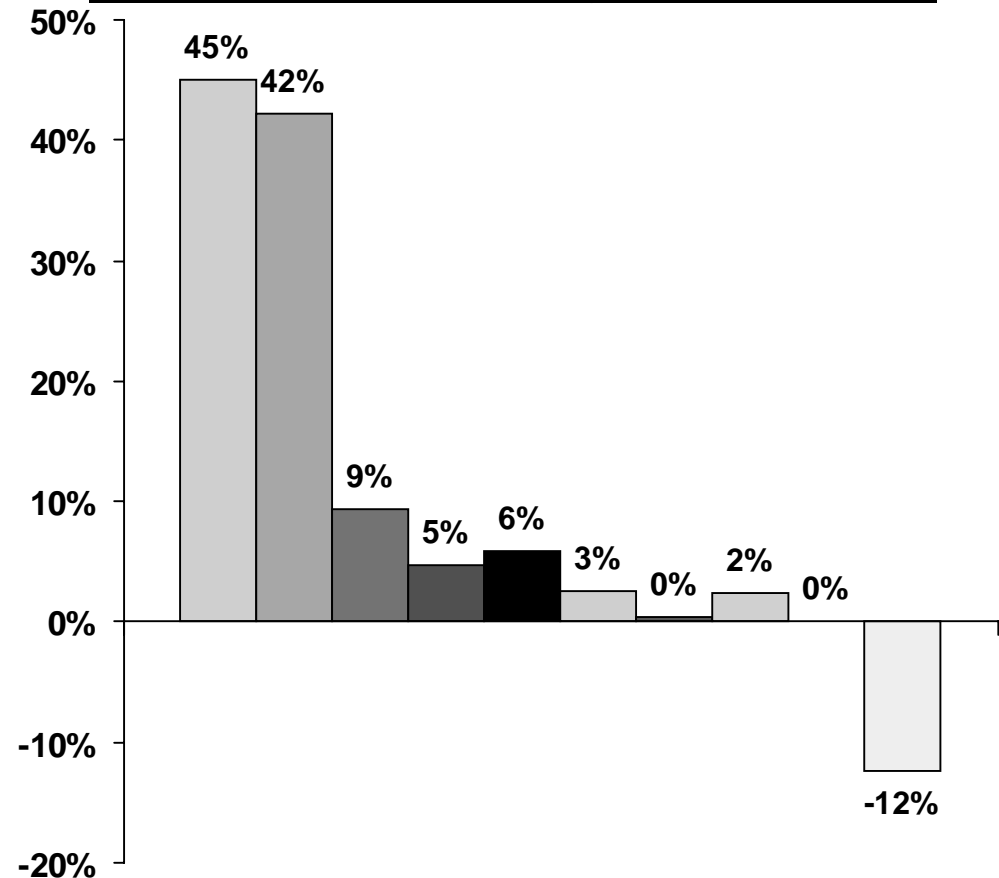
# Non-performing Assets – By Sector

**\$223 MM @ 6/30/02**

**% of \$120 MM change vs 12/31/00**



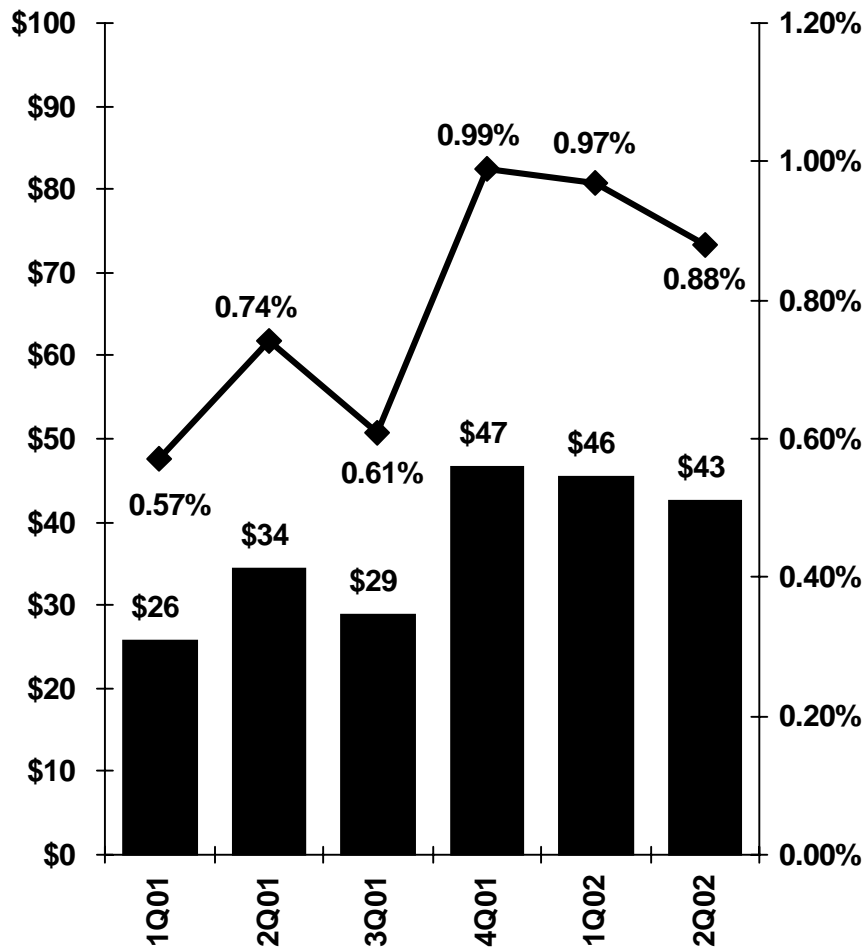
- Services
- F.I.R.E.
- Retail Trade
- Trans./Comm.
- Energy
- Manufacturing
- Construction
- Agriculture
- Wholesale Trade
- Other





# Net Charge-offs – Adjusted <sup>(1)</sup>

(\$MM)



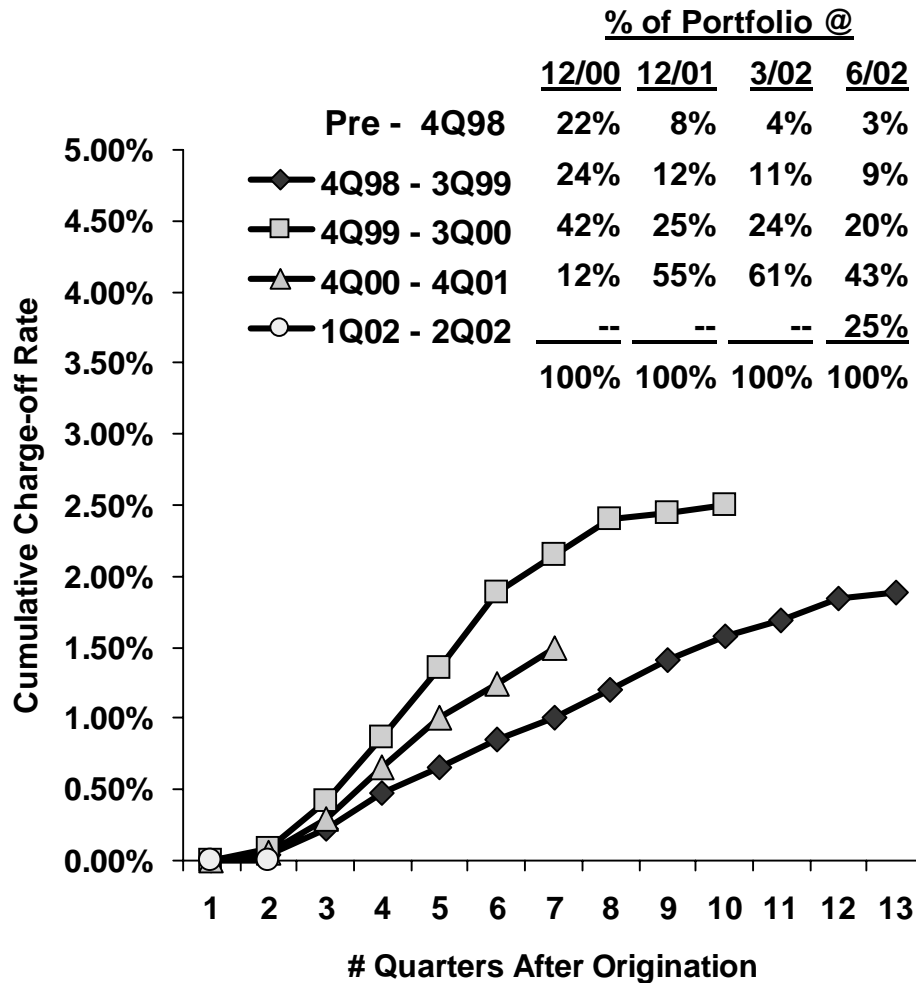
	<u>2Q02</u>	<u>1Q02</u>	<u>2Q01</u>
<b>Commercial</b>	<b>1.53 %</b>	<b>1.15 %</b>	<b>0.64 %</b>
Commercial real estate	<u>0.22</u>	<u>0.42</u>	<u>0.21</u>
<b>Total commercial</b>	<b><u>1.02</u></b>	<b><u>0.86</u></b>	<b><u>0.49</u></b>
<b>Consumer</b>			
Auto loans - indirect	0.92	1.45	1.49
Auto lease	<u>1.08</u>	<u>1.64</u>	<u>1.37</u>
Indirect	1.01	1.56	1.42
Other direct	1.22	1.08	0.91
Home equity	0.43	0.41	0.35
Residential real estate	<u>0.18</u>	<u>0.05</u>	<u>0.14</u>
<b>Total consumer</b>	<b><u>0.75</u></b>	<b><u>1.07</u></b>	<b><u>0.99</u></b>
<b>Total</b>	<b>0.88 %</b>	<b>0.97 %</b>	<b>0.74 %</b>

(1) Excludes impact of net charge-offs on exited portfolios. Reported total consumer net charge-offs were 0.83% in 2Q02, 1.22% in 1Q02, and 2.07% in 2Q01. Reported total net charge-offs were 0.92% in 2Q02, 1.05% in 1Q01, and 1.33% in 2Q01. Excludes impact of Florida banking operations sold in 1Q02.

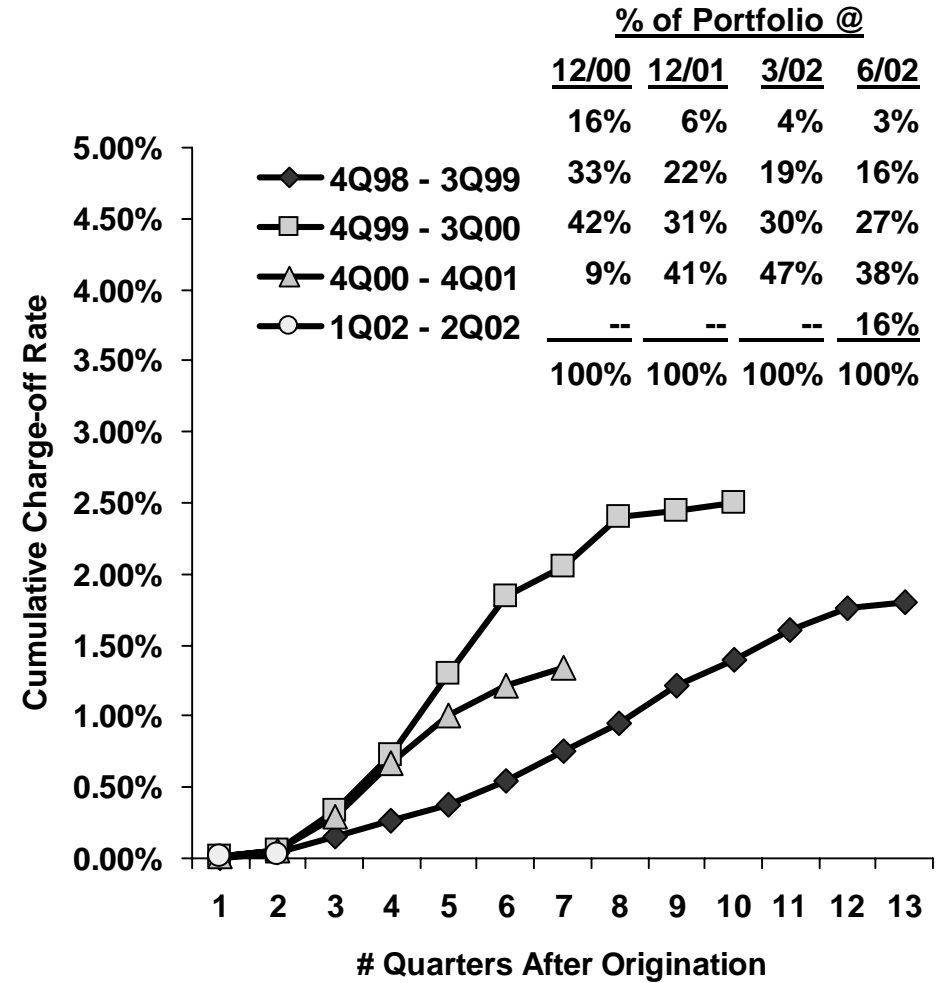


# Vintage Performance

## Auto Loans - Indirect



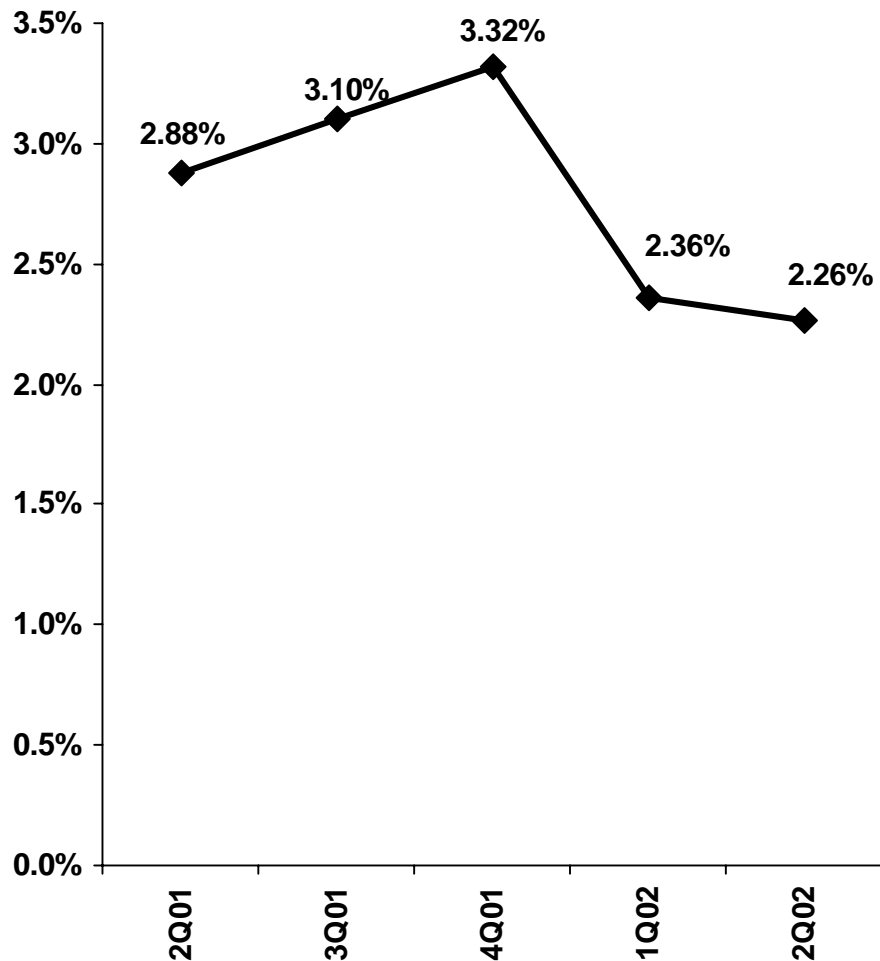
## Auto Leases



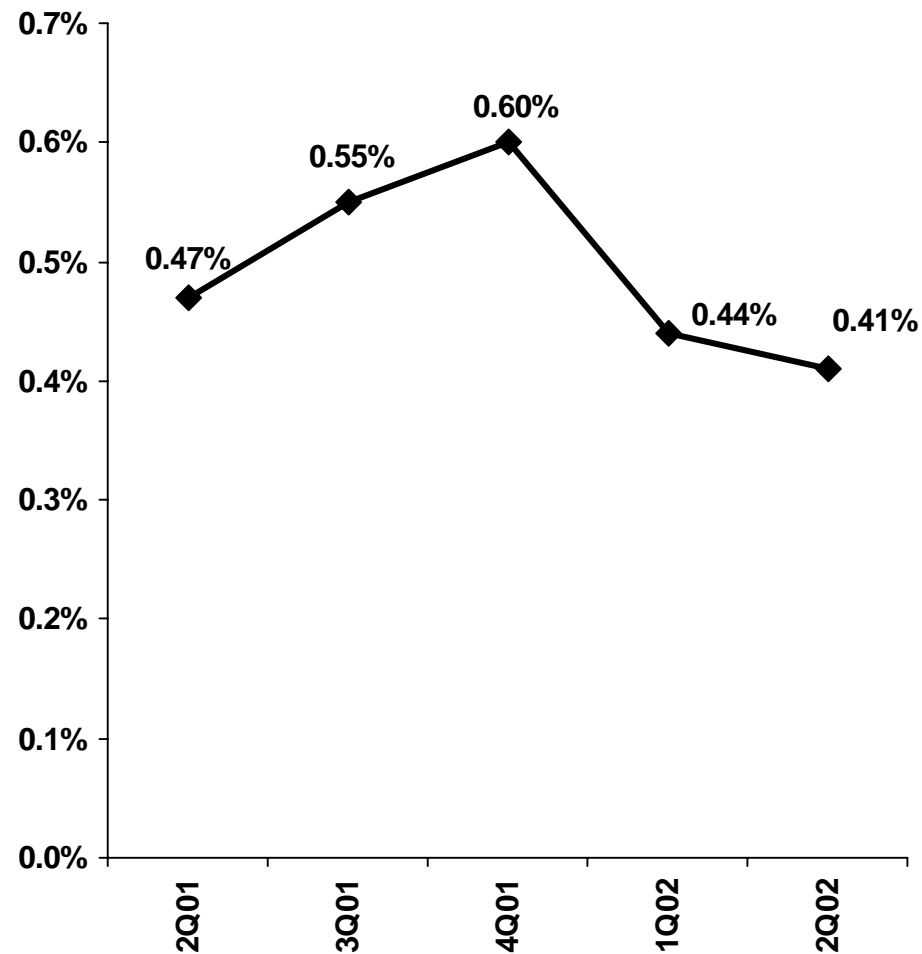
# Consumer Delinquency Trends <sup>(1)</sup>



## 30+ Days



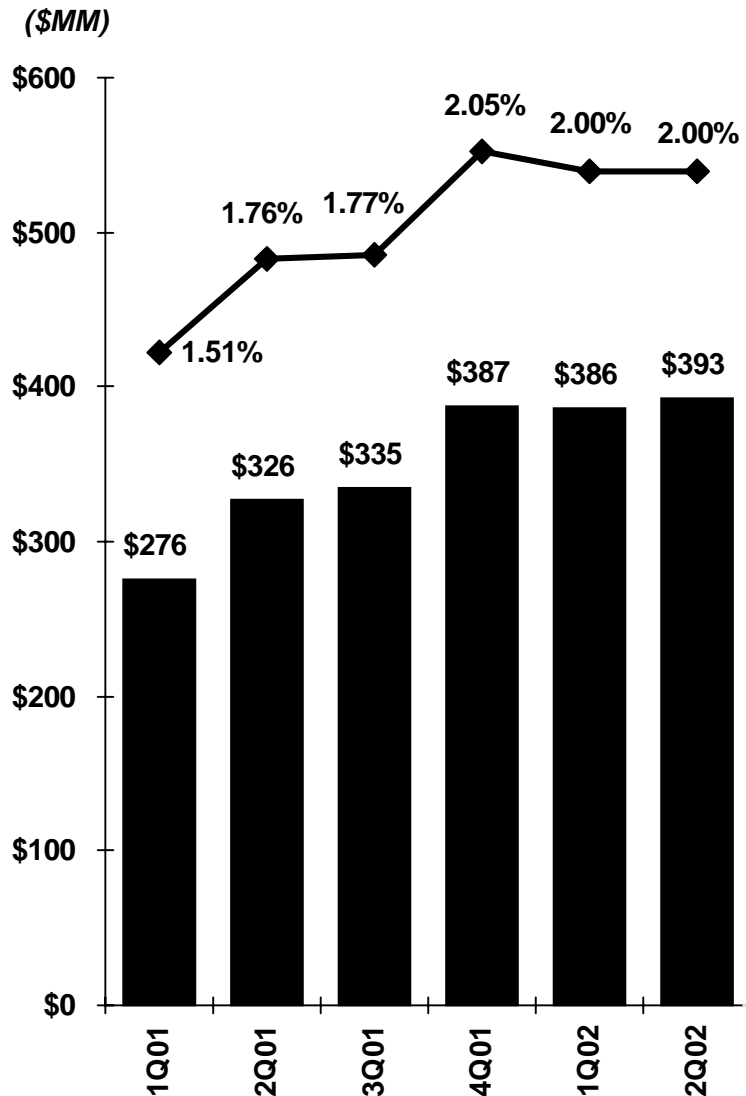
## 90+ Days



(1) % of related outstandings at EOP. Excludes impact of Florida banking operations sold in 1Q02



# Loan Loss Reserve <sup>(1)</sup>



## Loan Loss Reserve Flow Analysis

(\$MM)	<u>2Q02</u>	<u>1Q02</u>	<u>4Q01</u>
LLR- beginning	\$ 386.1	\$ 387.0	\$ 334.8
Charge-offs	(57.5)	(60.2)	(60.1)
Recoveries	<u>12.6</u>	<u>10.9</u>	<u>10.0</u>
<b>Net charge-offs</b>	<b>(44.9)</b>	<b>(49.3)</b>	<b>(50.1)</b>
<b>Provision exp.</b>	<b>53.9</b>	<b>50.6</b>	<b>54.3</b>
Provision exp.-other	---	---	50.0
Assets sold	---	---	---
Loans securitized	<u>(2.0)</u>	<u>(2.2)</u>	<u>(2.0)</u>
LLR-ending	\$ 393.0	\$ 386.1	\$ 387.0

(1) Excludes impact of Florida banking operations sold in 1Q02



# *Capital Review*



# Capital Trends – Reported Basis

	<u>2Q02</u>	<u>1Q02</u>	<u>2Q01</u>
<b>Tier 1 risk-based capital</b>	<b>9.72 %</b>	<b>10.26 %</b>	<b>7.01 %</b>
<b>Total risk-based capital</b>	<b>12.75</b>	<b>13.40</b>	<b>10.20</b>
<b>Tier 1 leverage</b>	<b>9.94</b>	<b>9.72</b>	<b>6.96</b>
<b>Tangible equity / assets</b>	<b>8.41 <sup>(1)</sup></b>	<b>9.03</b>	<b>5.97</b>
<b>Double leverage</b>	<b>83</b>	<b>78</b>	<b>110</b>

(1) Estimated at 7.5%-8.0% by 12/31/02 assuming continuation of share repurchase program



# Share Repurchase Program

## **Commitment to repurchase \$300 - 400 MM**

- ◆ **Program commenced February 21**
- ◆ **Repurchased 8.8 million shares through June 30 ...\$175 million**
- ◆ **Committed to continued repurchase at reasonable prices and volumes**

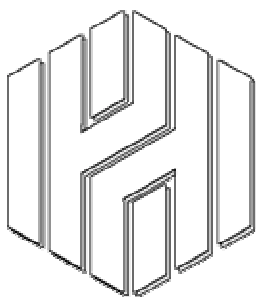
# **PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 FORWARD LOOKING STATEMENT DISCLOSURE**



**This presentation and discussion, including related questions and answers, 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 discussion, including related questions and answers, are based on information available at the time of the discussion. Huntington assumes no obligation to update any forward-looking statement.**



Huntington

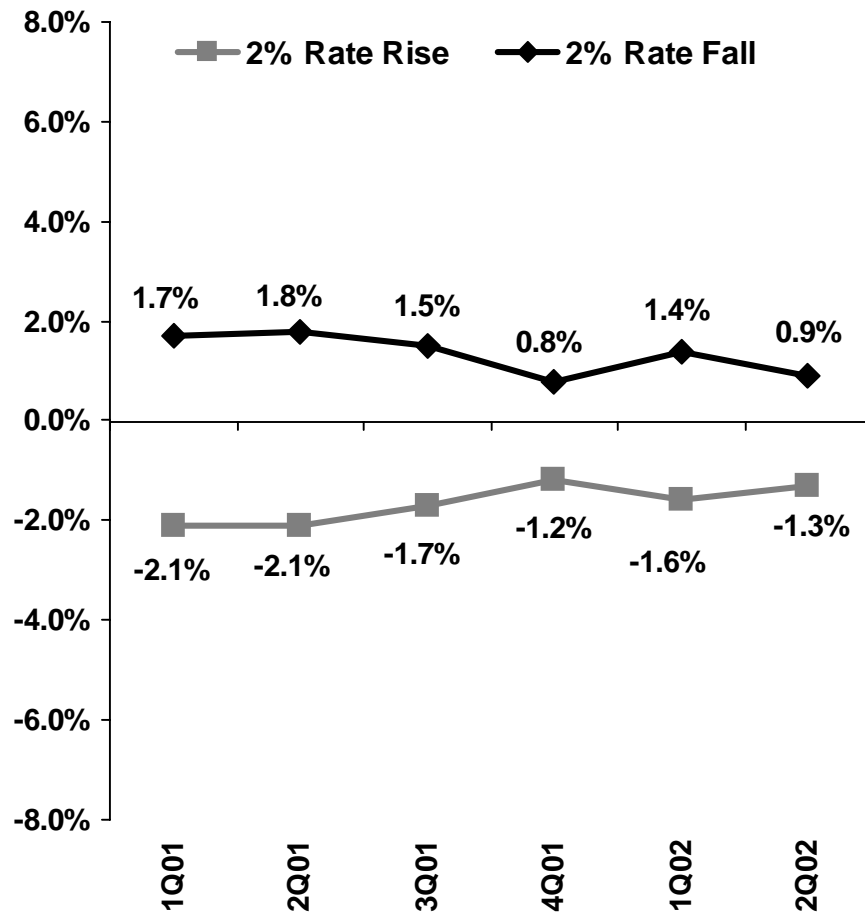


# *Appendix A*

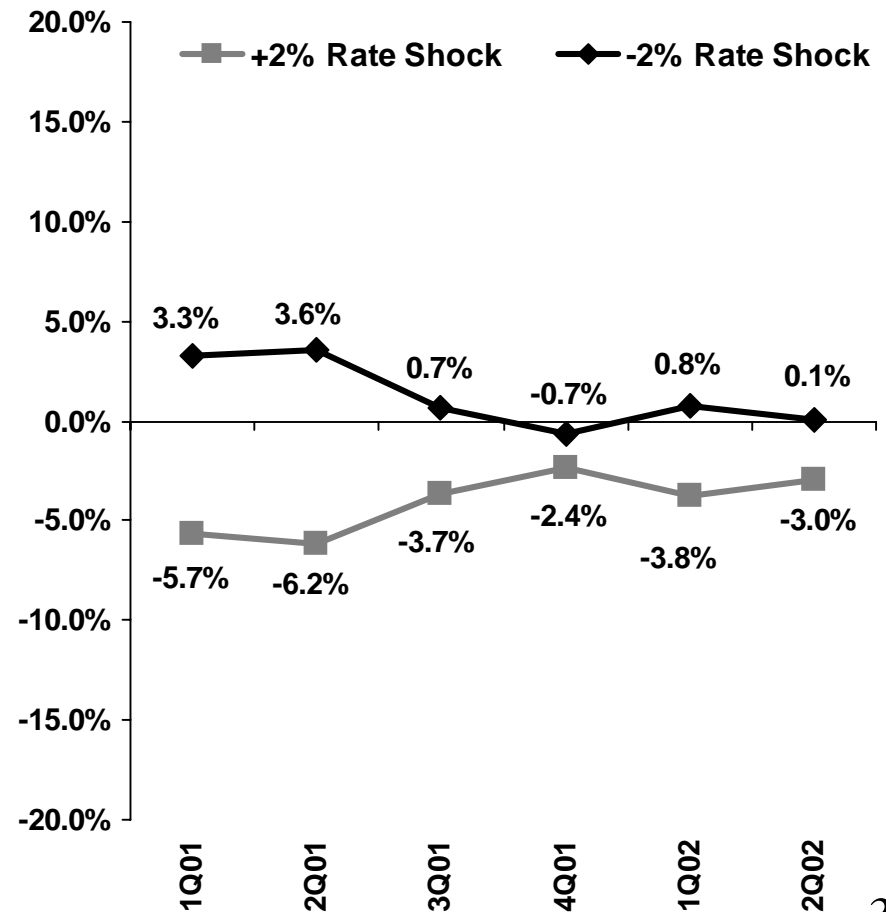


# Managing Interest Rate Risk

## Net Interest Income at Risk Forward Curve +/- 2% Gradual Change in Rates



## Economic Value at Risk Parallel Yield Curve Shift +/- 2% Instantaneous Change in Rates



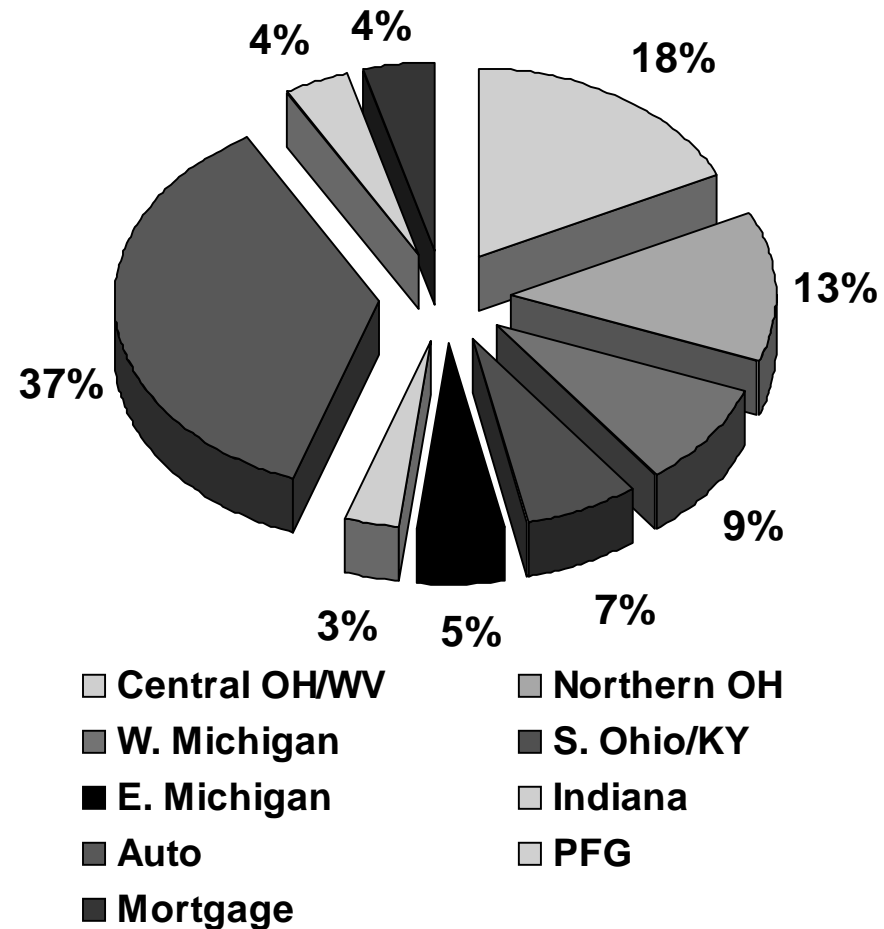


# Loan Portfolio – 6/30/02

## By Type of Loan - Managed

(\$B)	<u>Amt</u>	<u>Pct</u>
Commercial	\$ 5.6	26.9%
Commercial RE	<u>3.7</u>	<u>17.8</u>
Total commercial	<u>9.3</u>	<u>44.7</u>
Auto leases	3.1	15.0
Auto loans	3.8	18.2
Home equity lines	3.0	14.4
Residential real estate	1.2	5.8
Other consumer	<u>0.4</u>	<u>1.9</u>
Total consumer	<u>11.5</u>	<u>55.3</u>
Total loans	\$20.8	100.0%

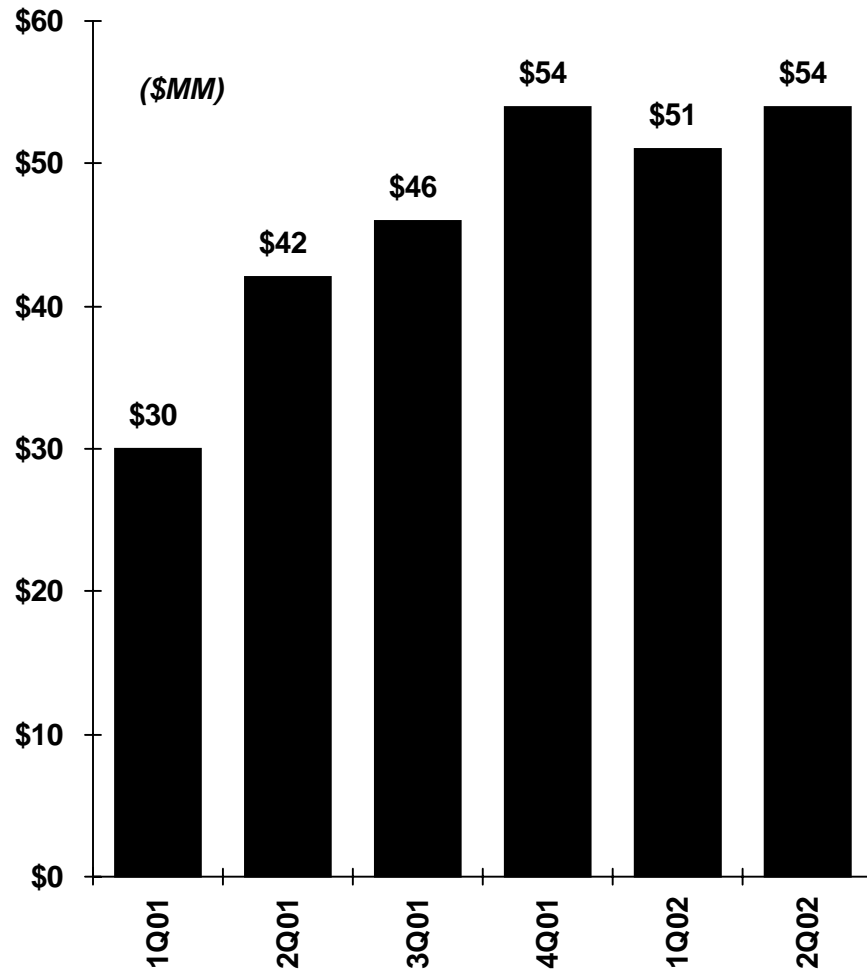
## By Region or LOB - Managed



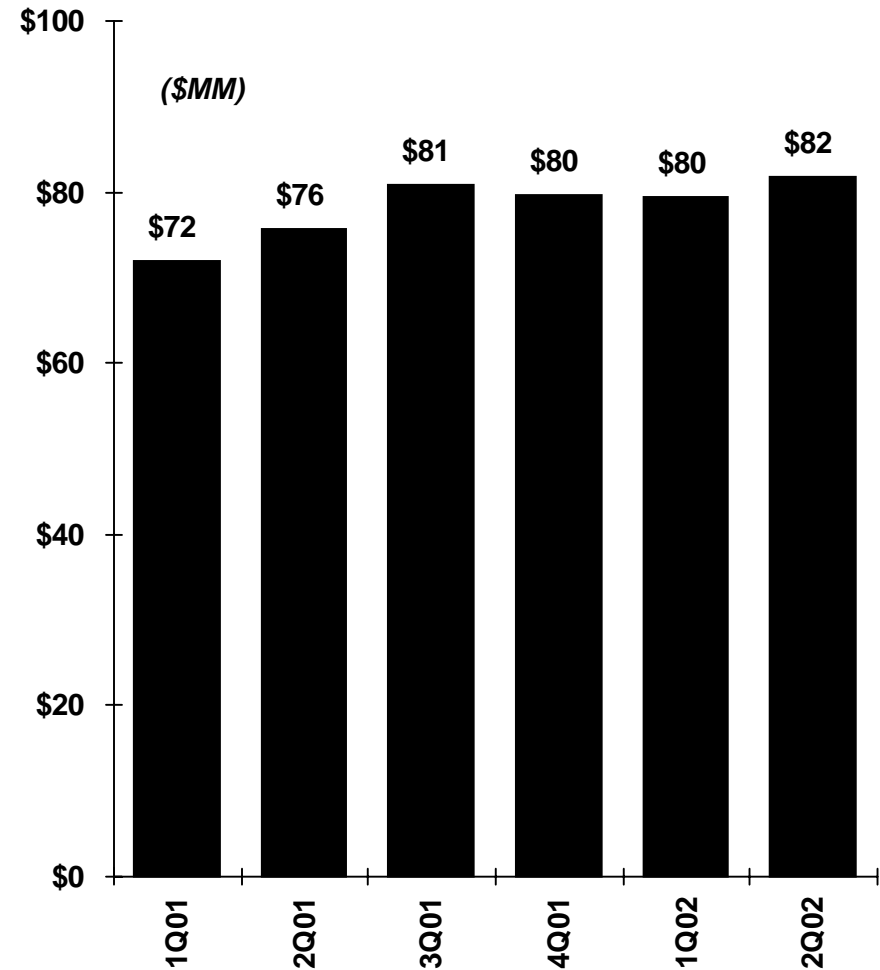


# Performance Trends <sup>(1)</sup>

## Loan Loss Provision



## Net Income

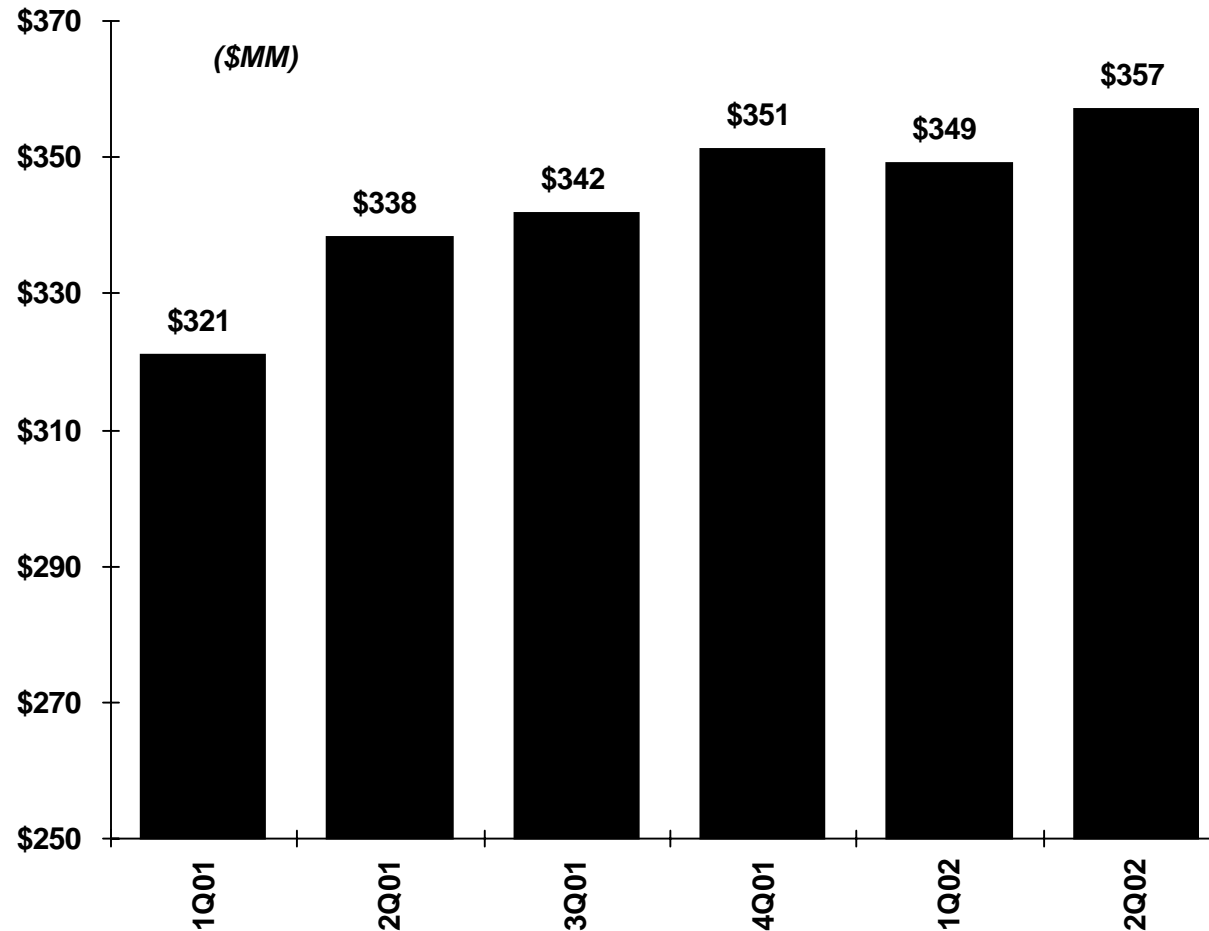


(1) Operating basis – Excludes after tax impact of restructuring and other charges, gain on sale of Florida operations in 1Q02, impact of Florida banking operations sold in 1Q02 and Florida insurance agency sold 7/2/02



# Performance Trends <sup>(1)</sup>

## Revenue (FTE)

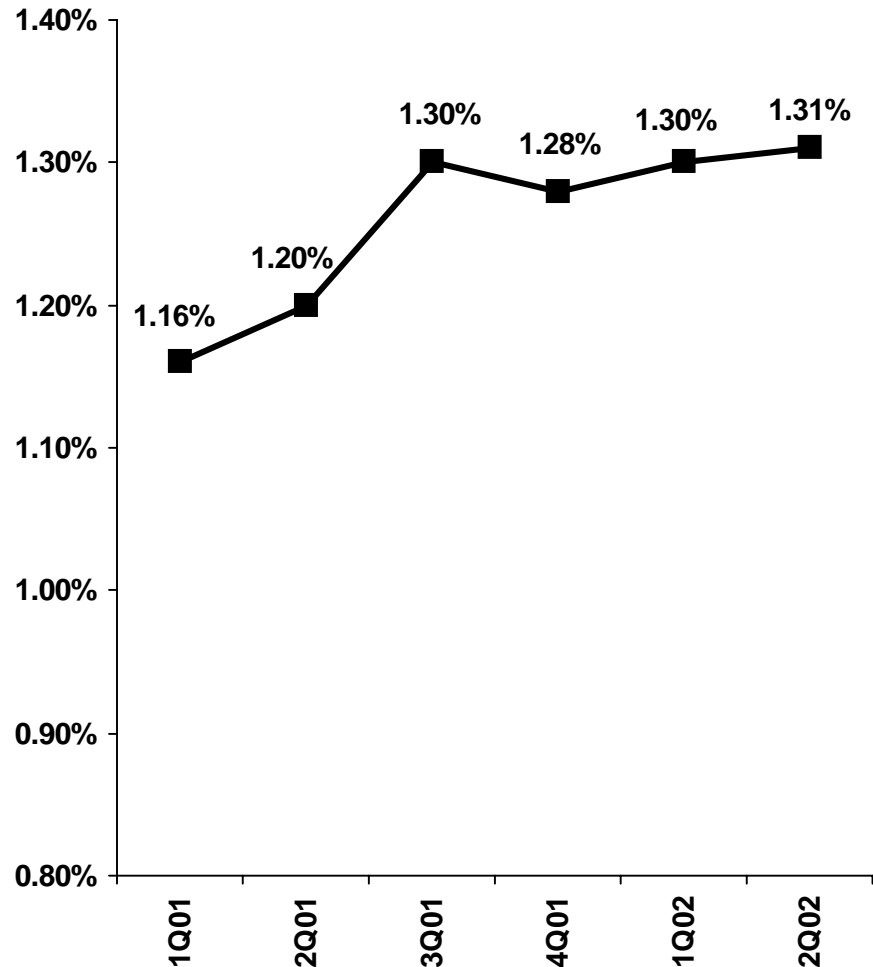


(1) Excludes security gains and gain on sale of the Florida banking operations in 1Q02, impact of Florida banking operations sold in 1Q02 and Florida insurance agency sold 7/2/02

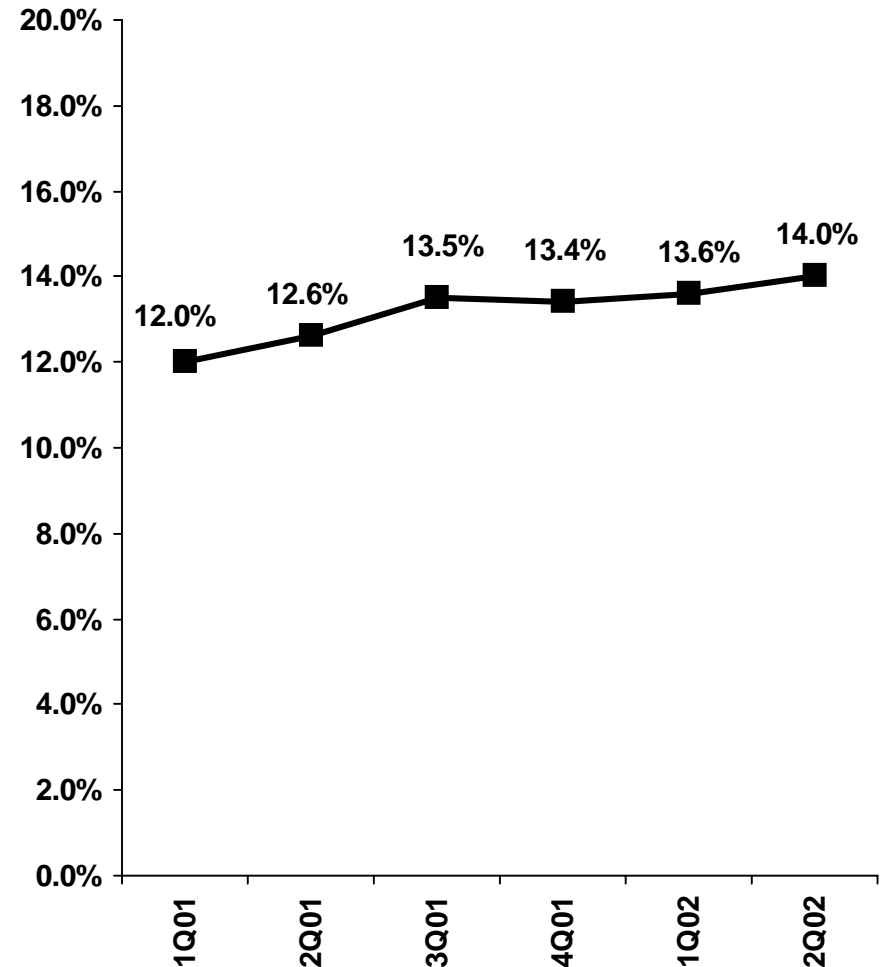


# Performance Trends <sup>(1)</sup>

## Return on Average Assets



## Return on Average Equity



(1) Operating basis - Excludes after tax impact of restructuring and other charges of \$36.5 MM in 1Q02, \$72.1 MM in 2Q01, the \$56.8 MM after tax gain on the sale of Florida operations in 1Q02, the impact of Florida banking operations sold in 1Q02 and Florida insurance agency sold 7/2/02



# *Appendix B*

# *Operating Including*

# *Florida*

**NOTE:** *Slides in Appendix B show operating results including Florida, the way they were previously presented for analytical purposes prior to 2Q02. As such, these are the same slides and data contained in the 1Q02 conference call presentation materials. With the sale of the Florida banking operations in 1Q02, and to provide better analytical comparisons to prior periods, beginning with 2Q02 reporting, operating results are now defined to exclude the impact of the Florida banking operations.*



# First Quarter 2002 Earnings

<i>(\$MM)</i>	<u>Reported</u>	<u>One-time &amp; Charges</u>	<u>Operating</u>
Net interest income	\$ 242.8		\$ 242.8
Provision	(55.8)		(55.8)
Non-interest income	125.6		125.6
Florida gain	175.4	\$ 175.4	---
Security gains	0.5		0.5
Non-interest expense	(263.6)	(56.2)	(207.4)
Pretax income	<u>224.9</u>	<u>119.2</u>	<u>105.7</u>
Net income	<u>\$ 97.7</u>	<u>\$ 20.3</u>	<u>\$ 77.5</u>
EPS	<u>\$ 0.39</u>	<u>\$ 0.08</u>	<u>\$ 0.31</u>



# Performance Highlights <sup>(1)</sup>

	<u>1Q02</u>	<u>4Q01</u>	<u>1Q01</u>
EPS – operating	\$0.31	\$0.30	\$0.27
EPS – cash basis <sup>(2)</sup>	0.31	0.33	0.30
ROA	1.18 %	1.07 %	0.97 %
ROE	13.3	12.7	11.5
Efficiency ratio <sup>(2)</sup>	55.7	55.8	62.0
NIM	4.14	4.11	3.93
Tangible common equity/assets <sup>(3)</sup>	9.03	6.04	6.01

- (1) Operating basis - Excluding after tax impact of restructuring and other charges of \$36.5 MM in 1Q02, \$9.8 MM in 4Q01 and the after tax gain on the sale of Florida operations of \$56.8 MM in 1Q02
- (2) Based on operating earnings excluding intangible amortization of \$1.4 MM in 1Q02, \$10.1 MM in 4Q01 and \$10.6 MM in 1Q01
- (3) Period end



# Income Statement <sup>(1)</sup>

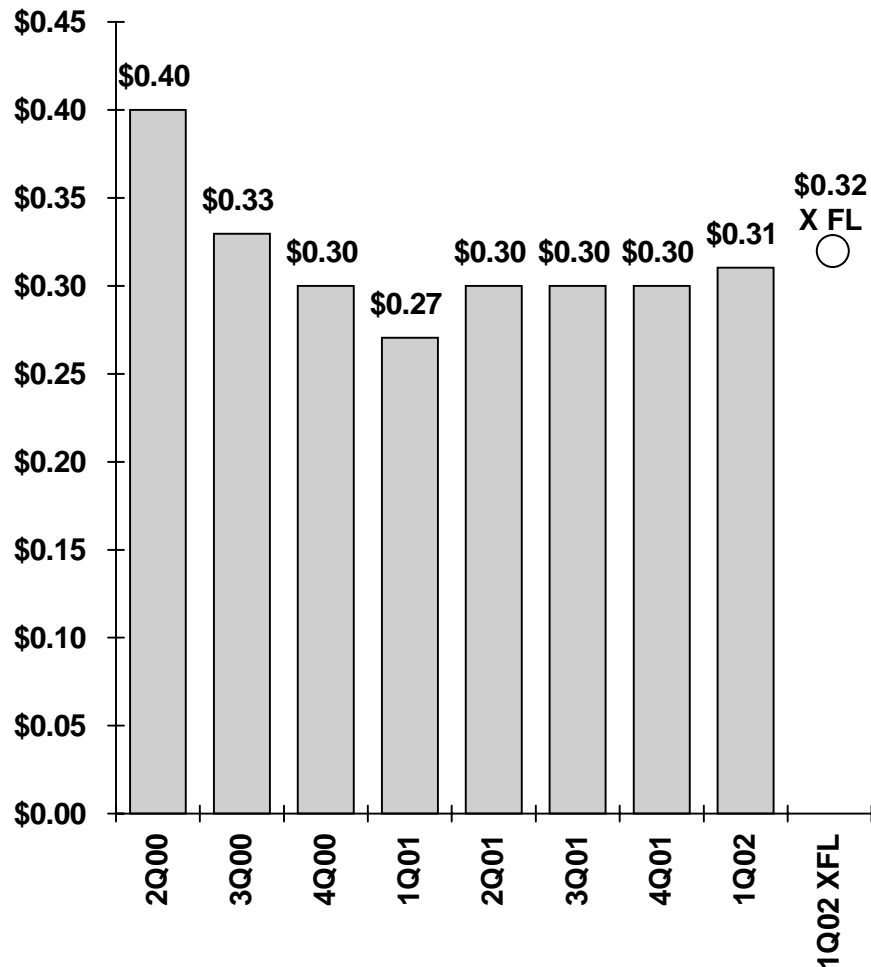
<b>(\$MM)</b>	<b><u>1Q02</u></b>	<b><u>4Q01</u></b>	<b><u>1Q01</u></b>
<b>Net interest income</b>	<b>\$242.8</b>	<b>\$255.2</b>	<b>\$243.1</b>
<b>Provision</b>	<b>(55.8)</b>	<b>(58.3)</b>	<b>(33.5)</b>
<b>Non-interest income</b>	<b>125.6</b>	<b>133.0</b>	<b>115.6</b>
<b>Security gains</b>	<b>0.5</b>	<b>0.1</b>	<b>2.1</b>
<b>Non-interest expense</b>	<b><u>(207.4)</u></b>	<b><u>(227.3)</u></b>	<b><u>(234.0)</u></b>
<b>Pretax income</b>	<b><u>105.7</u></b>	<b><u>102.7</u></b>	<b><u>93.3</u></b>
<b>Net income</b>	<b><u><u>\$77.5</u></u></b>	<b><u><u>\$75.5</u></u></b>	<b><u><u>\$67.9</u></u></b>
<b>EPS</b>	<b>\$0.31</b>	<b>\$0.30</b>	<b>\$0.27</b>

(1) Operating basis - Excluding after tax impact of restructuring and other charges of \$36.5 MM in 1Q02, \$9.8 MM in 4Q01 and the after tax gain on the sale of Florida operations of \$56.8 MM in 1Q02

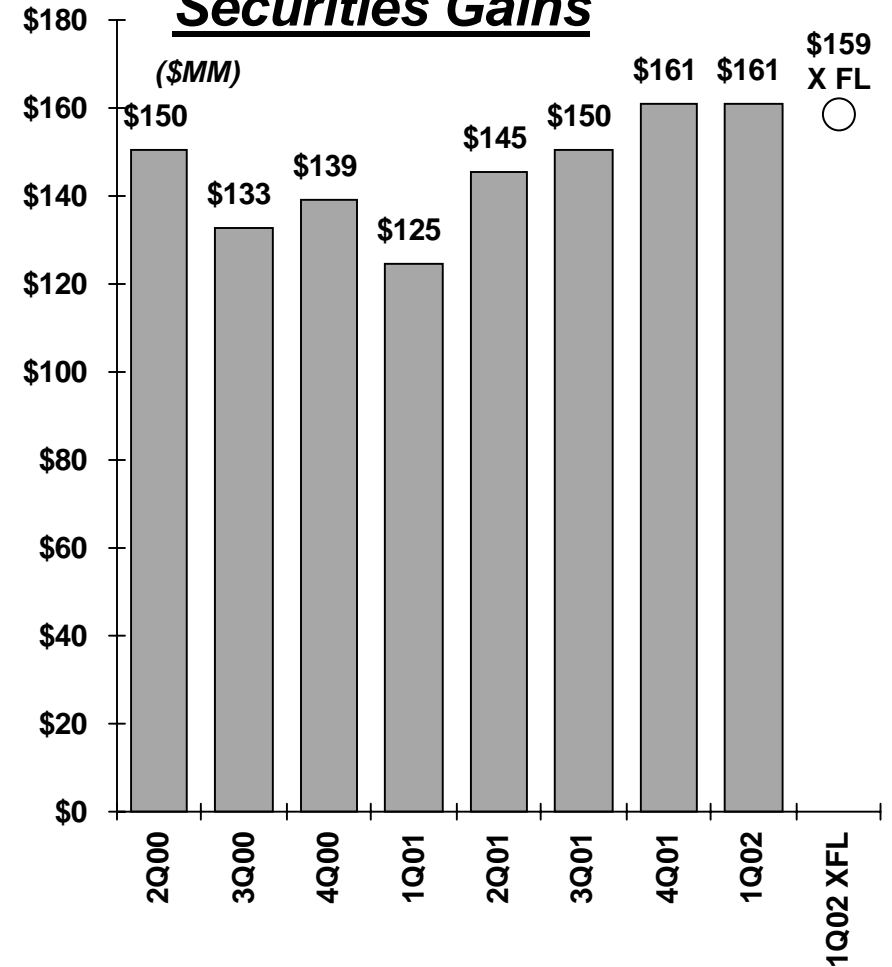


# Performance Trends <sup>(1)</sup>

## Earnings Per Share



## Pretax Income Before LLP and Securities Gains

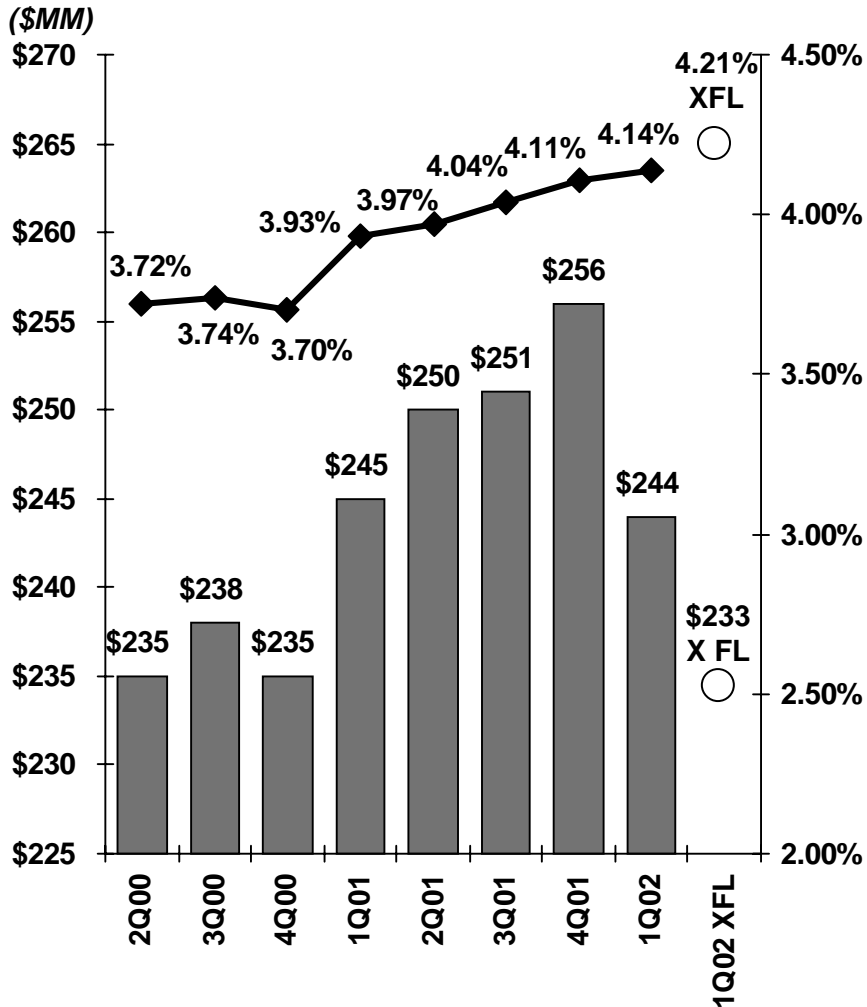


(1) Operating basis – Excludes after tax impact of restructuring and other charges of \$115.0 MM in 2001, \$32.5 MM in 2000, and \$36.5 MM in 1Q02, and after tax gain on the sale of Florida operations of \$56.8 MM in 1Q02.

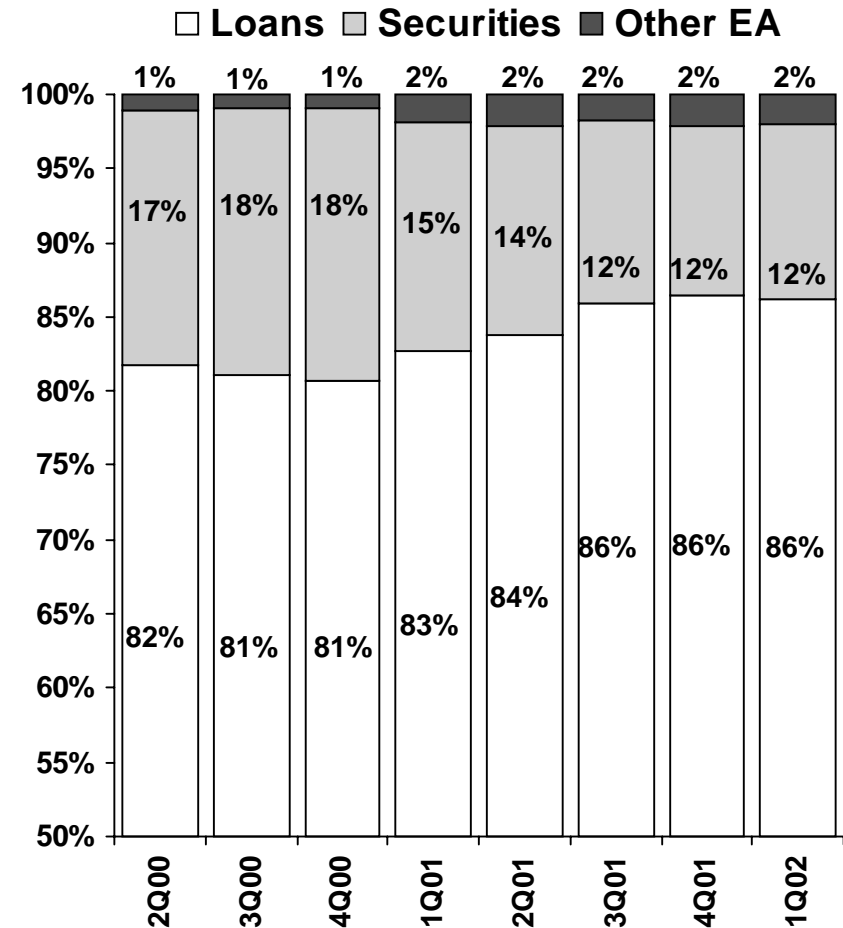


# Performance Trends

## Net Interest Income & Margin (FTE)



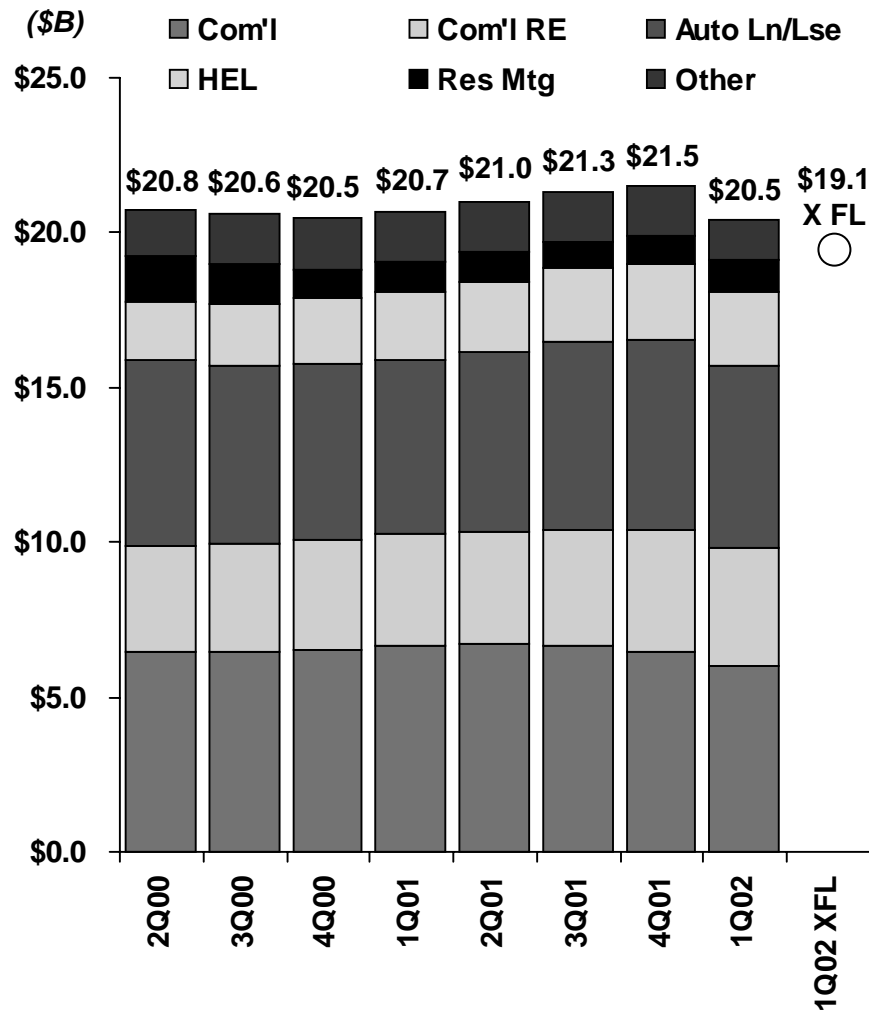
## Earning Asset Mix (Avg)



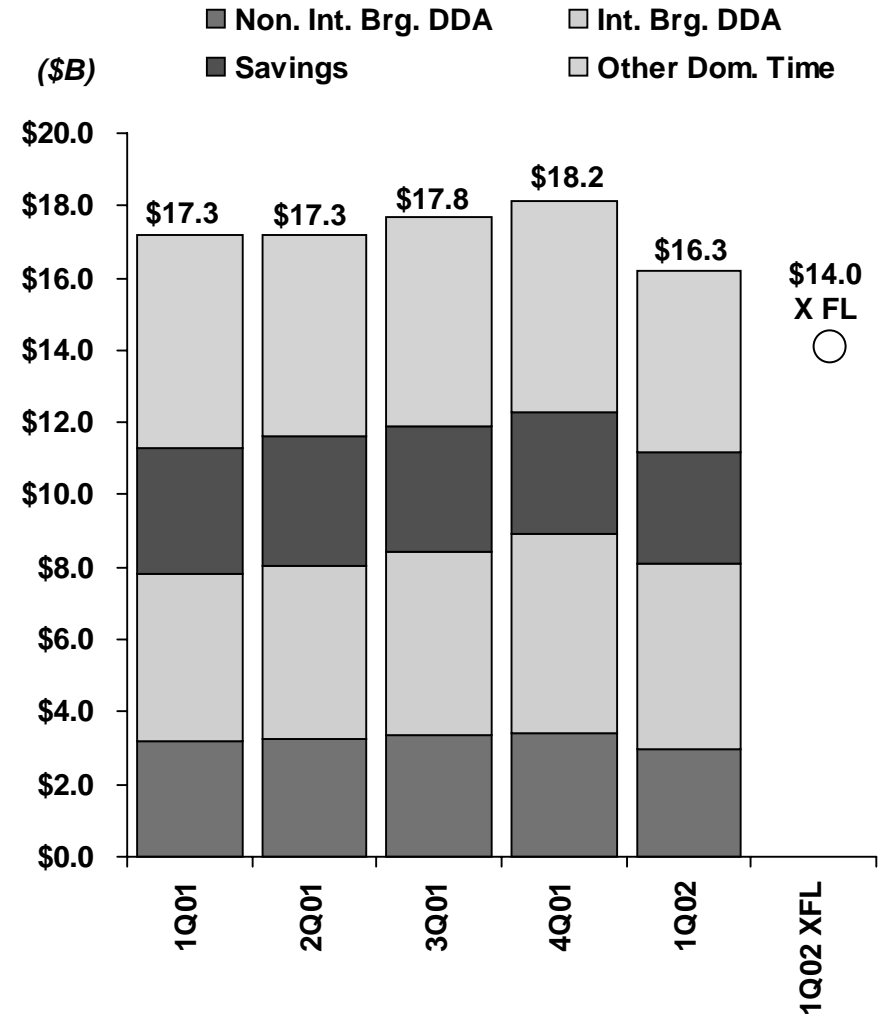


# Performance Trends

## Loans (Avg)



## Core Deposits (Avg)

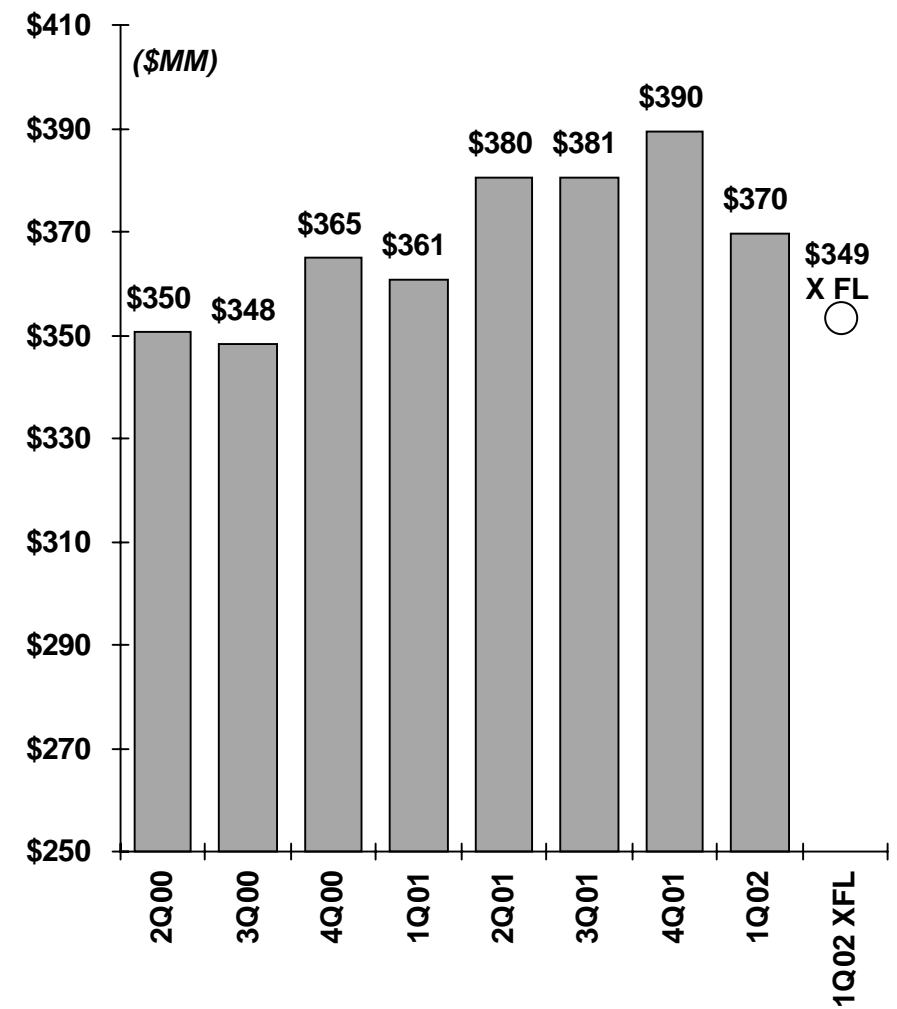
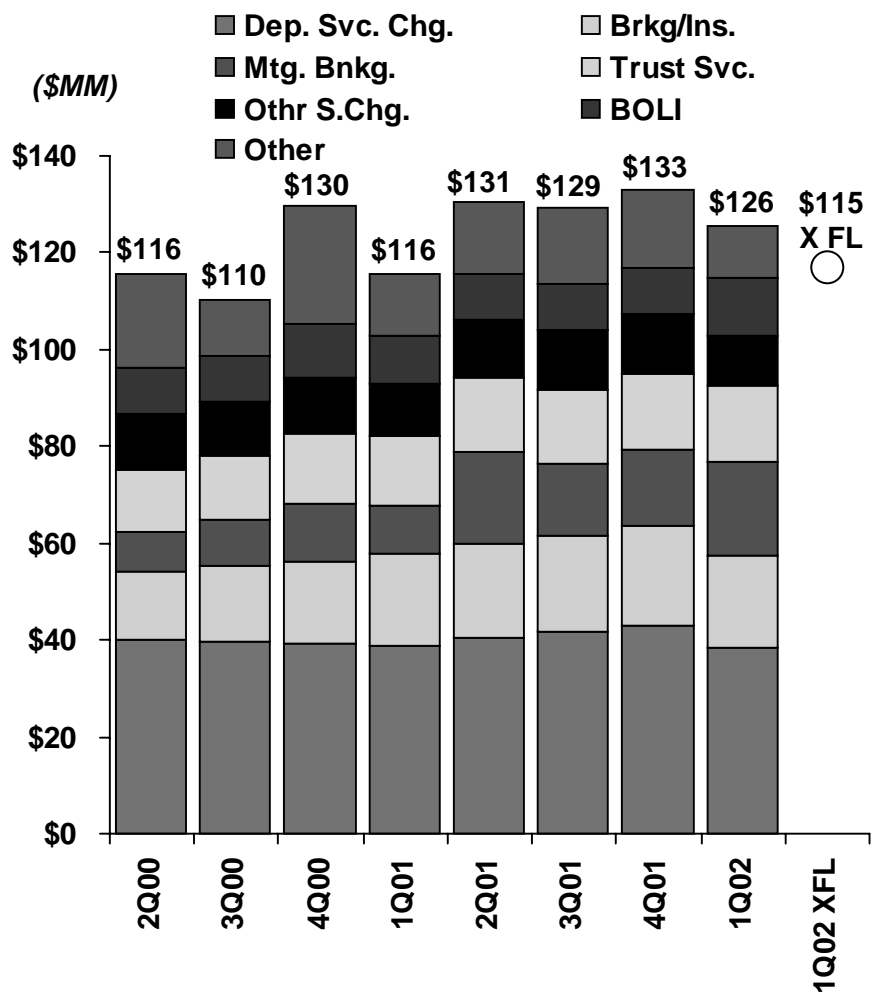




# Performance Trends <sup>(1)</sup>

## Non-interest Income

## Revenue (FTE)

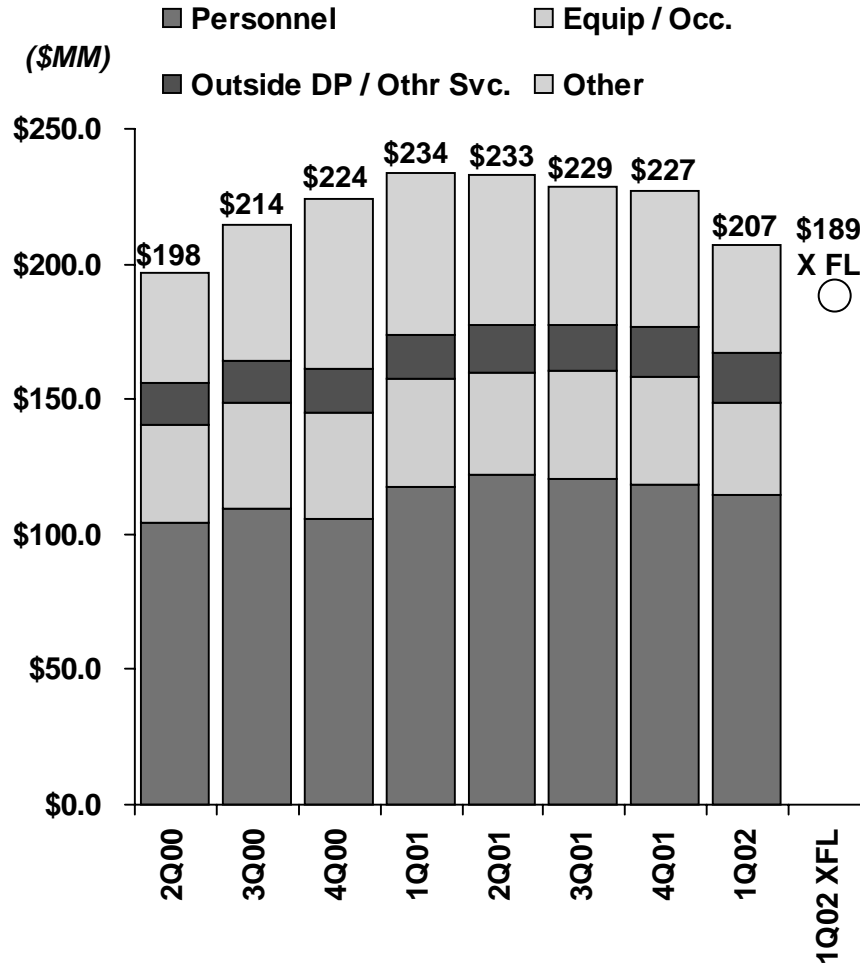


(1) Excluding securities gains and gain on sale of Florida operations in 1Q02

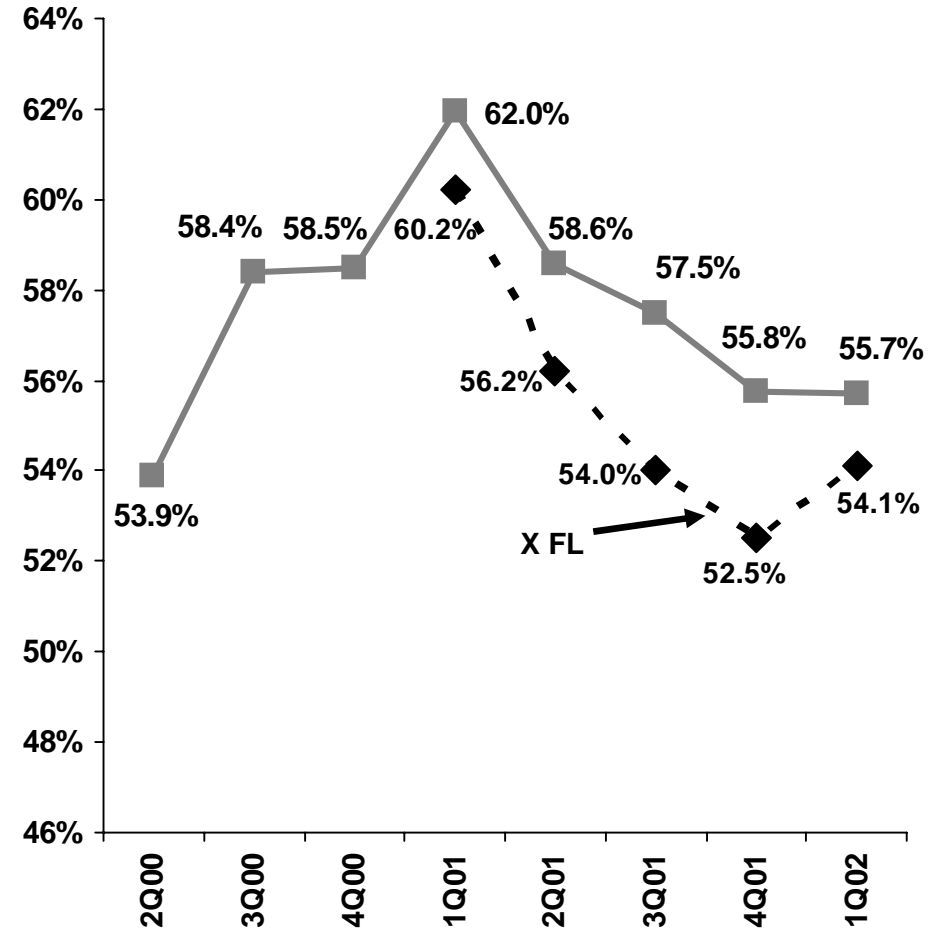


# Performance Trends

## Non-interest Expense <sup>(1)</sup>



## Efficiency Ratio <sup>(2)</sup>

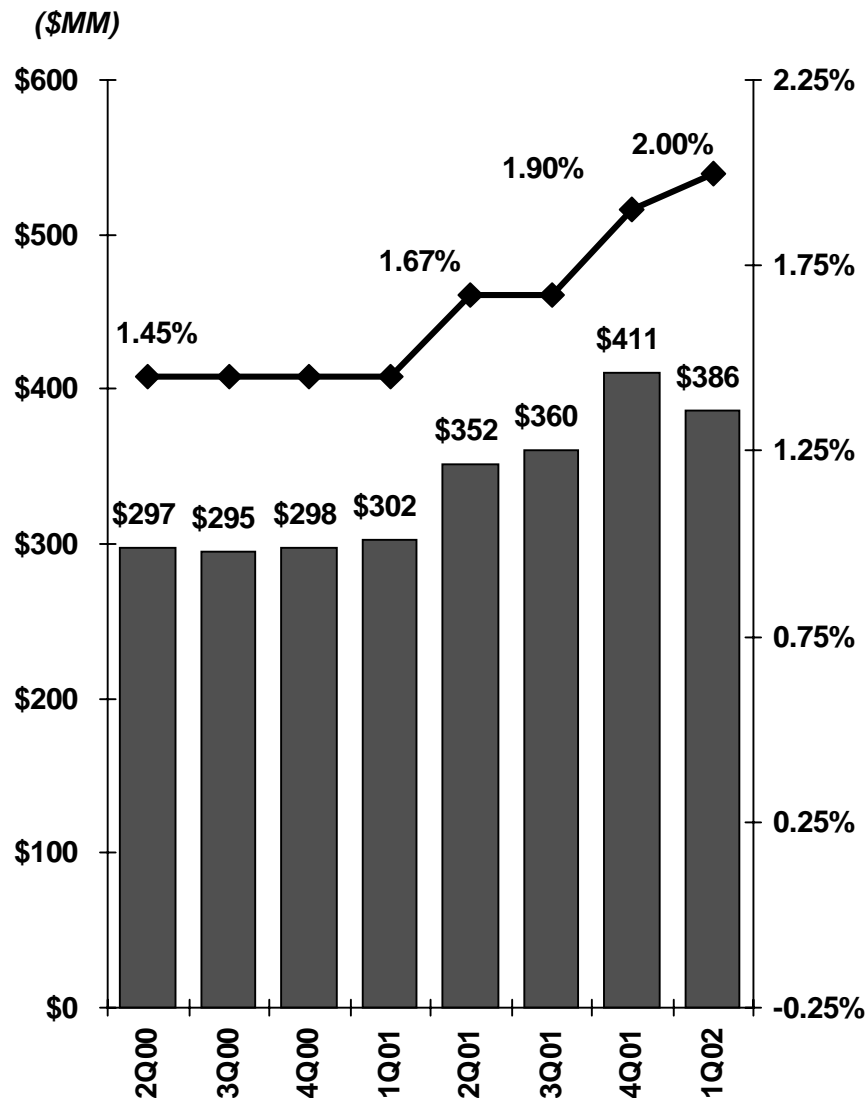


(1) Operating basis – Excludes impact of restructuring and other charges

(2) FTE Revenue excludes securities gains and gain on sale of Florida operations / non-interest expense excludes intangible amortization and restructuring and other charges



# Loan Loss Reserve



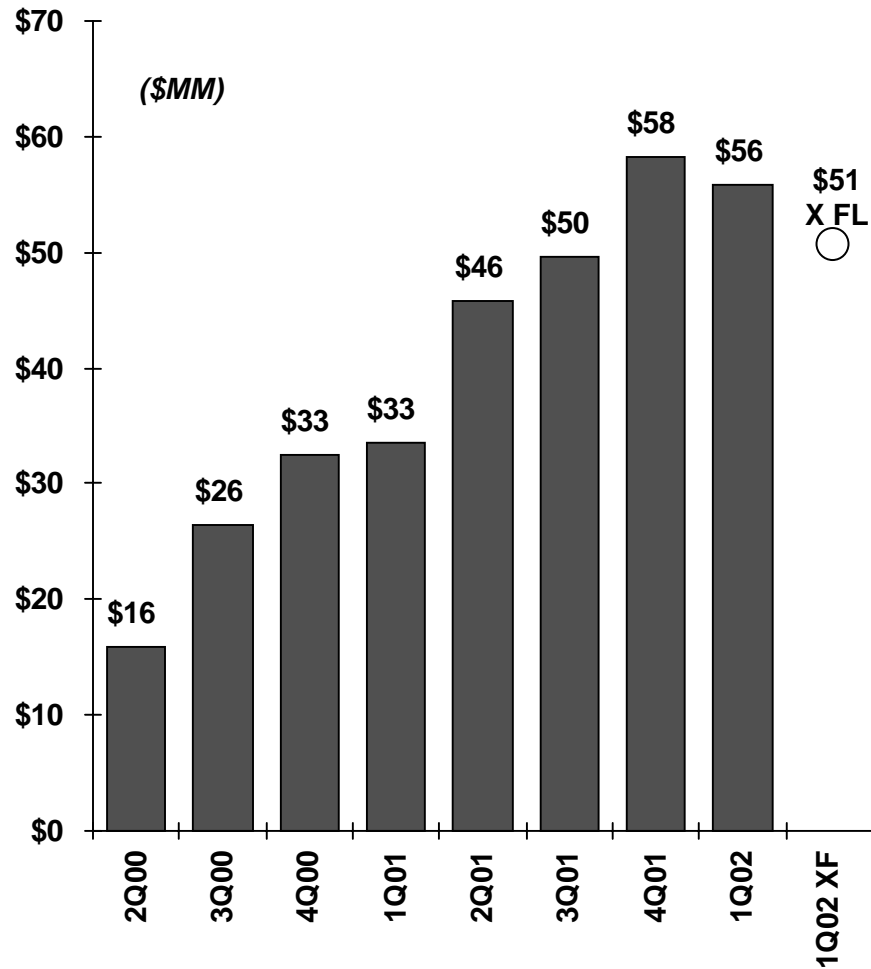
## Loan Loss Reserve Flow Analysis

(\$MM)	<u>1Q02</u>	<u>4Q01</u>	<u>3Q01</u>
LLR- beginning	\$410.6	\$360.4	\$352.2
Charge-offs	(67.5)	(66.8)	(49.4)
Recoveries	<u>11.7</u>	<u>10.7</u>	<u>9.6</u>
<b>Net charge-offs</b>	<b>(55.8)</b>	<b>(56.1)</b>	<b>(39.8)</b>
<b>Provision exp.</b>	<b>55.8</b>	<b>58.3</b>	<b>49.6</b>
Provision exp.-other	---	50.0	---
Assets sold	(22.3)	---	---
Loans securitized	<u>(2.2)</u>	<u>(2.0)</u>	<u>(1.6)</u>
LLR-ending	\$386.1	\$410.6	\$360.4

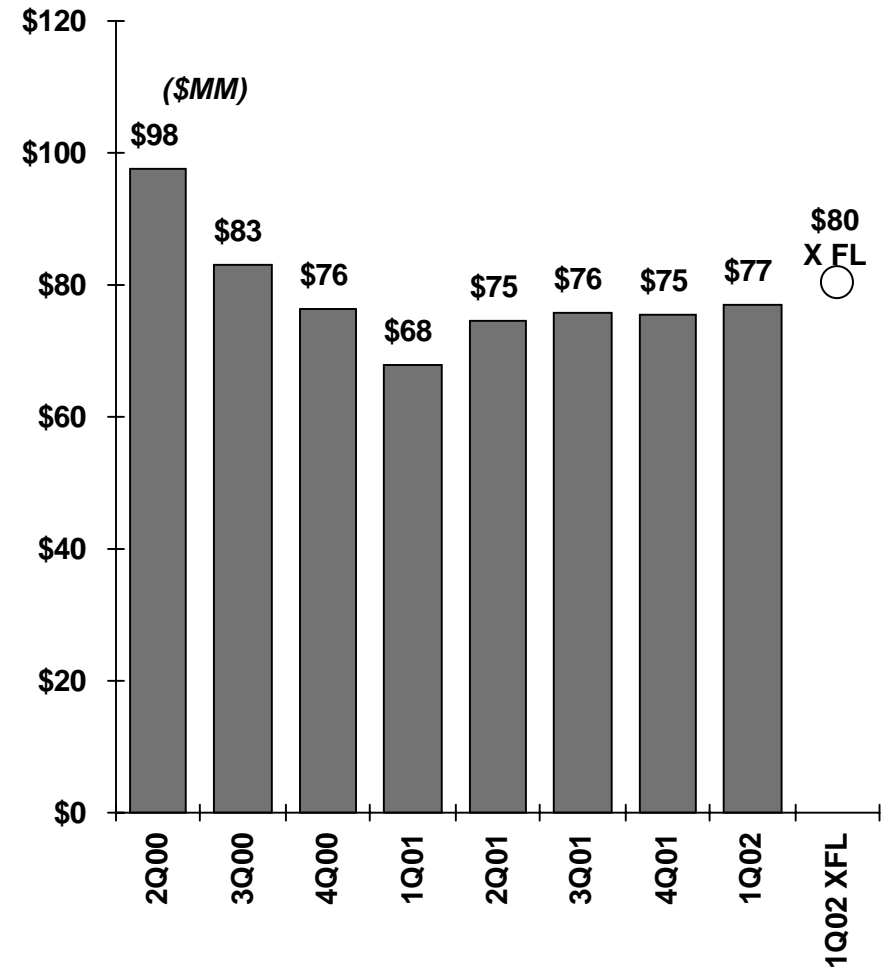


# Performance Trends <sup>(1)</sup>

## Loan Loss Provision



## Net Income



(1) Operating basis – Excludes after tax impact of restructuring and other charges and gain on sale of Florida operations in 1Q02



# Credit Quality Overview

	<u>1Q02</u>	<u>4Q01</u>	<u>1Q01</u>
<b>NPAs / total loans + OREO</b>	<b>1.17 %</b>	<b>1.05 %</b>	<b>0.60 %</b>
<b>Net charge-offs</b>			
– Reported	1.11	1.04	0.55
– Adjusted <sup>(1)</sup>	1.04	0.98	0.55
– Adjusted Xcld. Florida	1.00	1.04	0.57
<b>90+ days past due</b>	<b>0.32</b>	<b>0.42</b>	<b>0.49</b>
<b>Consumer</b>	<b>0.44</b>	<b>0.61</b>	<b>0.69</b>
<b>Commercial / CRE</b>	<b>0.19</b>	<b>0.22</b>	<b>0.29</b>
<b>Reserve / total loans</b>	<b>2.00</b>	<b>1.90</b>	<b>1.45</b>
<b>Reserve / NPAs</b>	<b>171</b>	<b>180</b>	<b>239</b>

(1) Excludes impact of net charge-offs on exited portfolios



# Non-Performing Asset Flow Analysis

**Period End** (\$MM)

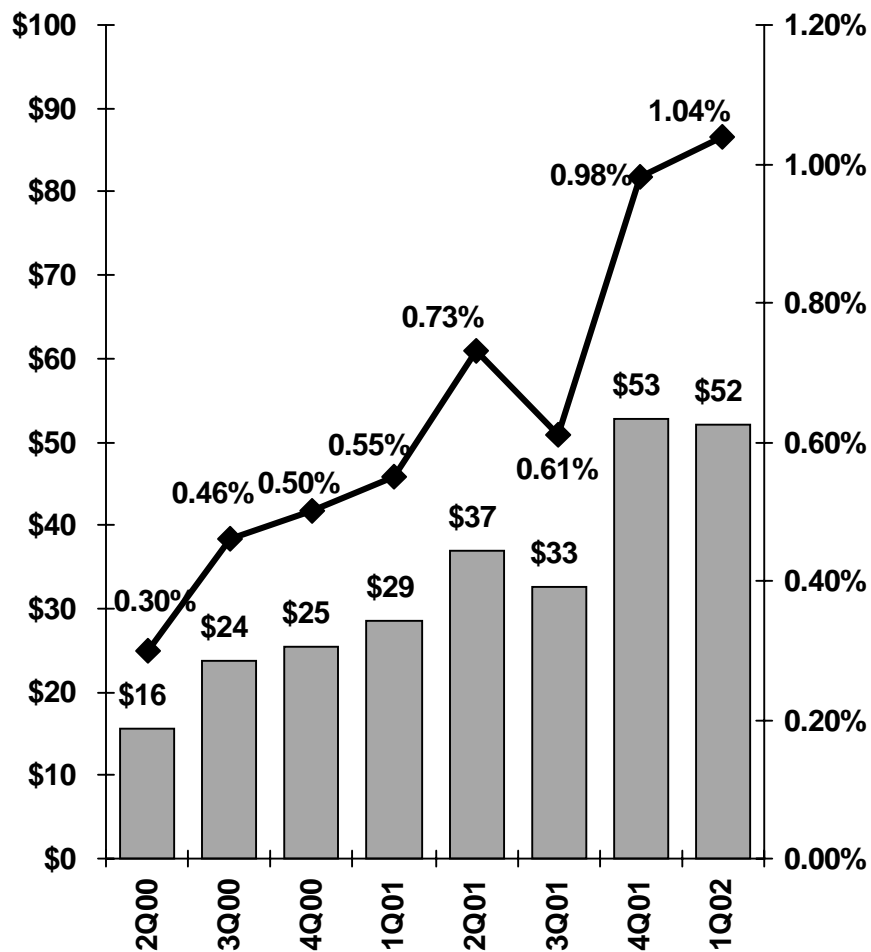
	<u>1Q02</u>	<u>4Q01</u>	<u>3Q01</u>	<u>2Q01</u>	<u>1Q01</u>
NPA beginning of period	\$227.5	\$210.1	\$166.0	\$124.9	\$105.4
<b>New NPAs</b>	<b>74.4</b>	<b>86.0</b>	<b>95.0</b>	<b>95.0</b>	<b>53.9</b>
Loan losses	(26.1)	(34.6)	(12.5)	(13.2)	(7.2)
Payments	(37.7)	(28.3)	(34.2)	(19.3)	(25.0)
Sales <sup>(1)</sup>	(8.9)	(4.1)	(3.3)	(21.3)	(1.9)
Other	<u>(3.7)</u>	<u>(1.6)</u>	<u>(0.9)</u>	<u>(0.1)</u>	<u>(0.3)</u>
NPA end of period	\$225.5	\$227.5	\$210.1	\$166.0	\$124.9
% of loans and OREO	1.17%	1.05%	0.97%	0.79%	0.60%

(1) 1Q02 includes \$6.5 MM related to the sale of Florida banking operations and 2Q01 includes \$14.9 MM related to PG & E.



# Net Charge-offs – Adjusted <sup>(1)</sup>

(\$MM)



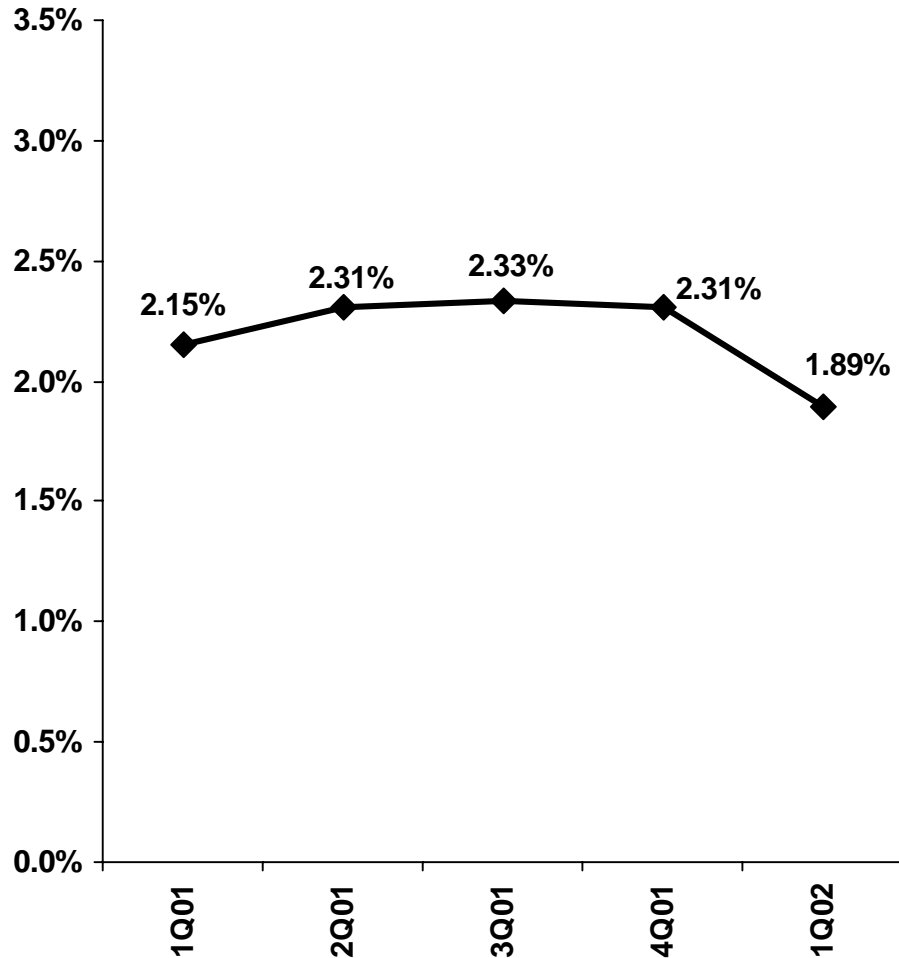
	<u>1Q02</u>	<u>4Q01</u>	<u>1Q01</u>
<b>Commercial</b>	<b>1.31 %</b>	<b>1.39 %</b>	<b>0.41 %</b>
Commercial real estate	0.42	0.08	0.15
<b>Consumer</b>			
Auto loans - indirect	1.59	1.46	1.43
Auto lease	<u>1.64</u>	<u>1.55</u>	<u>0.89</u>
Indirect	1.62	1.51	1.13
Installment	1.01	0.86	0.61
Home equity lines	0.36	0.38	0.34
Residential real estate	<u>0.05</u>	<u>0.17</u>	<u>0.03</u>
Total consumer	<u>1.10</u>	<u>1.05</u>	<u>0.78</u>
<b>Total</b>	<b>1.04 %</b>	<b>0.98 %</b>	<b>0.55 %</b>
<b>Total – Excluding Florida</b>	<b>1.00 %</b>	<b>1.04 %</b>	<b>0.57 %</b>

(1) Excludes impact of net charge-offs on exited portfolios. Reported total consumer net charge-offs were 1.23% in 1Q02, 1.17% in 4Q01, and 0.78% in 1Q01. Reported total net charge-offs were 1.11% in 1Q02, 1.04% in 4Q01, and 0.55% in 1Q01.

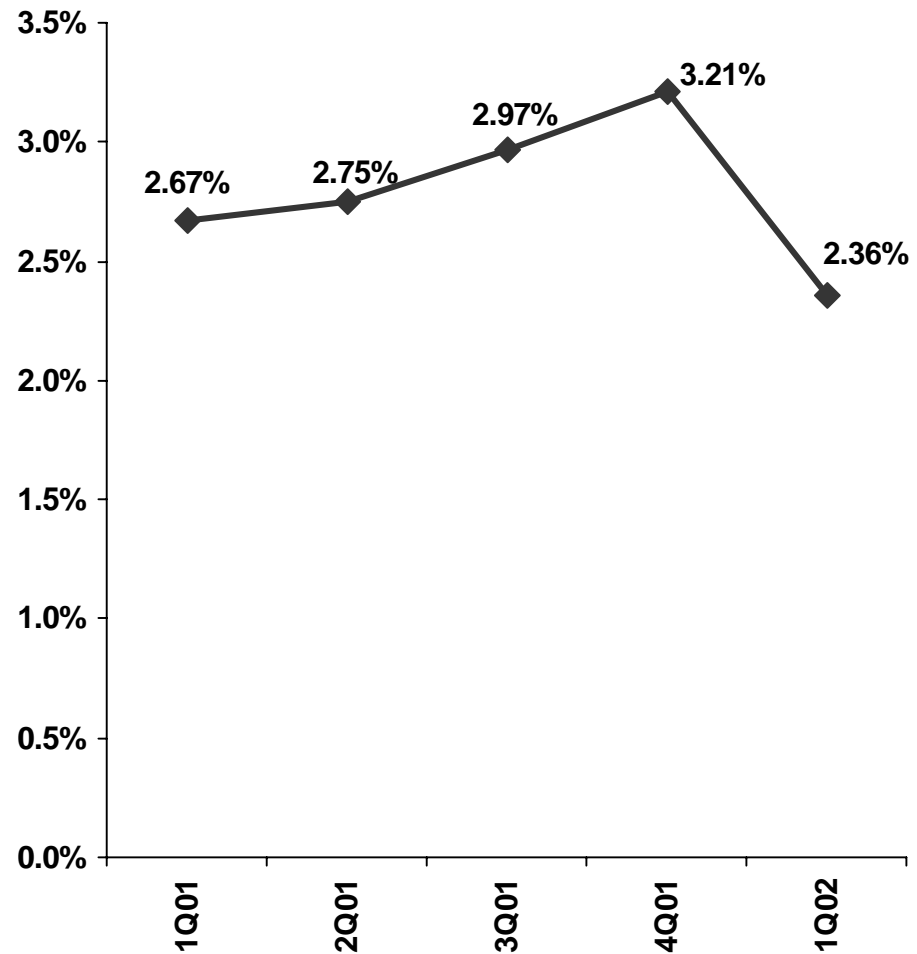


# Delinquency Trends – 30+ Days <sup>(1)</sup>

## Total Loans



## Consumer Loans

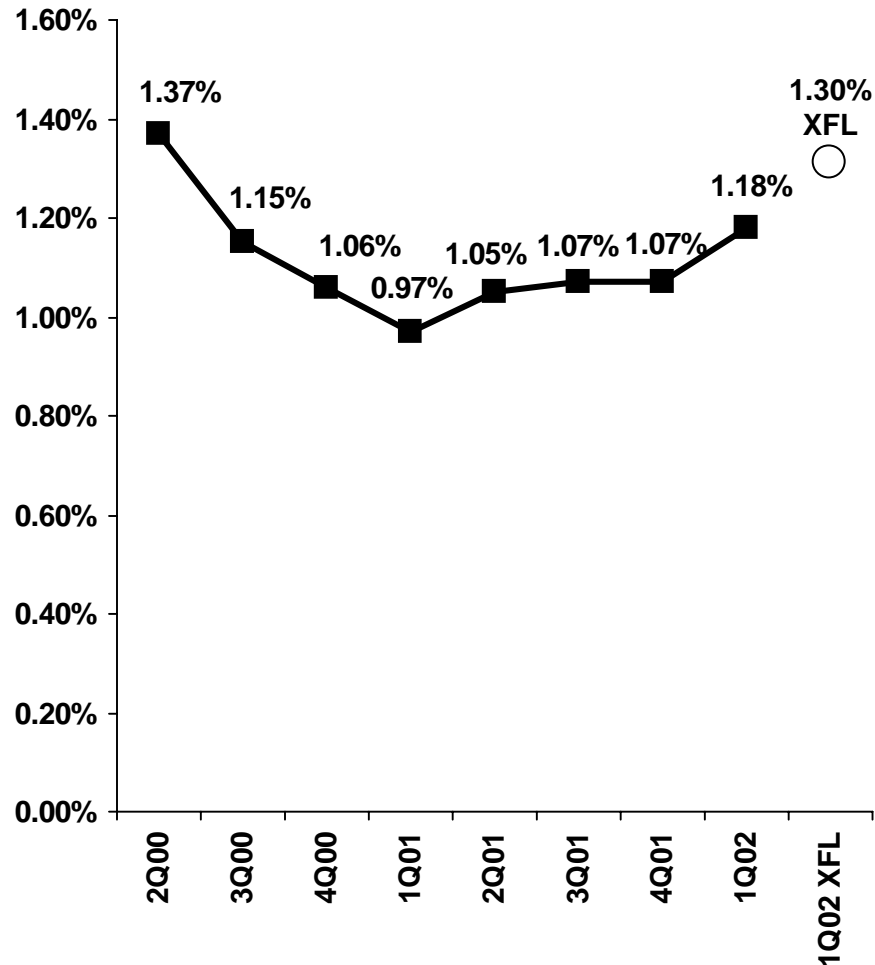


(1) % of related outstandings at EOP. Data before 1Q02 includes Florida.

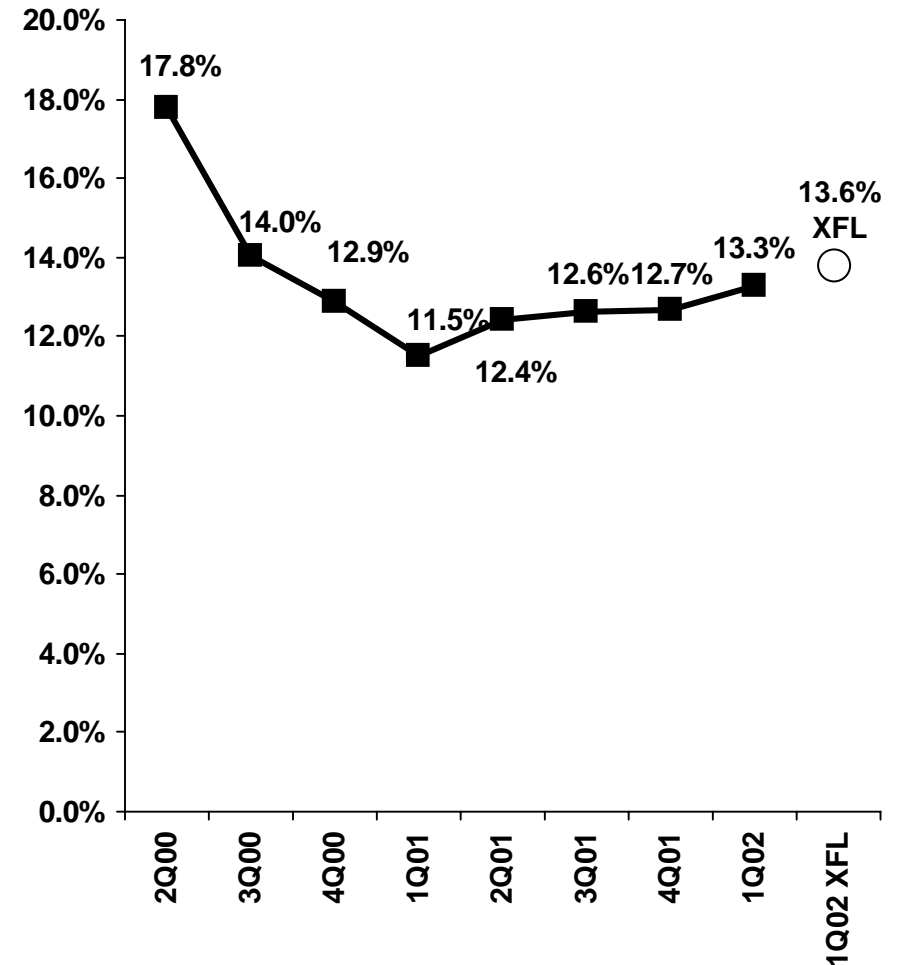


# Performance Trends <sup>(1)</sup>

## Return on Average Assets



## Return on Average Equity



(1) Operating basis – Excludes after tax impact of restructuring and other charges and gain on sale of Florida operations in 1Q02

**HUNTINGTON BANCSHARES INCORPORATED**  
**Quarterly Financial Review**  
**June 2002**

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**Huntington Bancshares Incorporated**  
**Consolidated Statements of Income**  
**Reported Basis**

<b>Three Months Ended June 30,</b>			<b>Change</b>	
<i>(in thousands, except per share amounts)</i>	<b>2002</b>	2001	Amount	Percent
Net Interest Income	\$ 241,859	\$ 248,033	\$ (6,174)	(2.5) %
Provision for loan losses	53,892	117,495	(63,603)	(54.1)
<b>Net Interest Income</b>				
<b>After Provision for Loan Losses</b>	<b>187,967</b>	130,538	57,429	44.0
Total non-interest income	117,980	128,203	(10,223)	(8.0)
Total non-interest expense	192,060	267,293	(75,233)	(28.1)
<b>Income Before Income Taxes</b>	<b>113,887</b>	(8,552)	122,439	N.M.
Income taxes	31,647	(10,929)	42,576	N.M.
<b>Net Income</b>	<b>\$ 82,240</b>	\$ 2,377	\$ 79,863	N.M. %
<b>Per Common Share</b>				
Net income				
Basic	\$0.33	\$0.01	\$ 0.32	N.M. %
Diluted	\$0.33	\$0.01	\$ 0.32	N.M. %
Cash dividends declared	\$0.16	\$0.20	\$ (0.04)	(20.0) %
<b>Average Common Shares</b>				
Basic	246,106	251,024	(4,918)	(2.0) %
Diluted	247,867	251,448	(3,581)	(1.4) %

<b>Six Months Ended June 30,</b>			<b>Change</b>	
<i>(in thousands, except per share amounts)</i>	<b>2002</b>	2001	Amount	Percent
Net Interest Income	\$ 484,684	\$ 491,157	\$ (6,473)	(1.3) %
Provision for loan losses	109,673	150,959	(41,286)	(27.3)
<b>Net Interest Income</b>				
<b>After Provision for Loan Losses</b>	<b>375,011</b>	340,198	34,813	10.2
Total non-interest income	419,408	245,927	173,481	70.5
Total non-interest expense	455,630	501,383	(45,753)	(9.1)
<b>Income Before Income Taxes</b>	<b>338,789</b>	84,742	254,047	N.M.
Income taxes	158,822	14,499	144,323	N.M.
<b>Net Income</b>	<b>\$ 179,967</b>	\$ 70,243	\$ 109,724	N.M. %
<b>Per Common Share</b>				
Net income				
Basic	\$0.72	\$0.28	\$ 0.44	N.M. %
Diluted	\$0.72	\$0.28	\$ 0.44	N.M. %
Cash dividends declared	\$0.32	\$0.40	\$ (0.08)	(20.0) %
<b>Average Common Shares</b>				
Basic	248,415	250,984	(2,569)	(1.0) %
Diluted	249,946	251,479	(1,533)	(0.6) %

N.M. - Not Meaningful.

**Huntington Bancshares Incorporated**  
**Consolidated Balance Sheets**  
**Reported Basis**

<i>(in thousands)</i>	June 30,	December 31,	June 30,	Change June '02 vs. '01	
	2002	2001	2001	Amount	Percent
<b>Assets</b>					
Cash and due from banks	\$ 858,561	\$ 1,138,366	\$ 908,686	\$ (50,125)	(5.5) %
Interest bearing deposits in banks	28,385	21,205	4,893	23,492	N.M.
Trading account securities	10,532	13,392	4,291	6,241	N.M.
Federal funds sold and securities purchased under resale agreements	75,824	83,275	59,725	16,099	27.0
Loans held for sale	190,724	629,386	376,671	(185,947)	(49.4)
Securities available for sale - at fair value	3,006,273	2,849,579	3,190,686	(184,413)	(5.8)
Investment securities - fair value \$10,963; \$12,499; and \$15,159, respectively	10,769	12,322	14,978	(4,209)	(28.1)
Total loans <sup>(1)</sup>	19,652,170	21,601,873	21,127,862	(1,475,692)	(7.0)
Less allowance for loan losses	393,011	410,572	352,243	40,768	11.6
Net loans	19,259,159	21,191,301	20,775,619	(1,516,460)	(7.3)
Bank owned life insurance	863,327	843,183	824,062	39,265	4.8
Premises and equipment	353,931	452,036	457,749	(103,818)	(22.7)
Goodwill and other intangible assets	210,685	716,054	737,437	(526,752)	(71.4)
Customers' acceptance liability	16,778	13,670	15,335	1,443	9.4
Accrued income and other assets	496,468	536,390	578,018	(81,550)	(14.1)
<b>Total Assets</b>	<b>\$ 25,381,416</b>	<b>\$ 28,500,159</b>	<b>\$ 27,948,150</b>	<b>\$ (2,566,734)</b>	<b>(9.2) %</b>
<b>Liabilities and Shareholders' Equity</b>					
Total deposits <sup>(1)</sup>	\$ 16,861,100	\$ 20,187,304	\$ 18,996,922	\$ (2,135,822)	(11.2) %
Short-term borrowings	2,064,275	1,955,926	2,585,773	(521,498)	(20.2)
Bank acceptances outstanding	16,778	13,670	15,337	1,441	9.4
Medium-term notes	1,782,438	1,795,002	1,983,603	(201,165)	(10.1)
Subordinated notes and other long-term debt	943,706	944,330	890,371	53,335	6.0
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	1,061,259	887,487	822,622	238,637	29.0
Total Liabilities	23,029,556	26,083,719	25,594,628	(2,565,072)	(10.0) %
<b>Shareholders' equity</b>					
Preferred stock - authorized 6,617,808 shares; none 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 242,919,872; 251,193,814; and 251,056,761 shares, respectively	2,487,887	2,490,724	2,490,682	(2,795)	(0.1)
Less 14,946,383; 6,672,441; and 6,809,494 treasury shares, respectively	(289,705)	(123,849)	(125,095)	(164,610)	N.M.
Accumulated other comprehensive income (loss)	28,655	25,488	(8,388)	37,043	N.M.
Retained earnings (deficit)	125,023	24,077	(3,677)	128,700	N.M.
Total Shareholders' Equity	2,351,860	2,416,440	2,353,522	(1,662)	(0.1)
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 25,381,416</b>	<b>\$ 28,500,159</b>	<b>\$ 27,948,150</b>	<b>\$ (2,566,734)</b>	<b>(9.2) %</b>

<sup>(1)</sup> See Page 3 for detail of Loans and Deposits.  
N.M. - Not Meaningful.

**Huntington Bancshares Incorporated**  
**Loans and Deposits**  
**Reported Basis**

**Loan Portfolio Composition by Loan Type and by Business Segment**

(in thousands)

By Loan Type	June 30, 2002		December 31, 2001		June 30, 2001	
	Balance	%	Balance	%	Balance	%
Commercial	\$ 5,591,280	28.5	\$ 6,439,372	29.8	\$ 6,753,809	32.0
Commercial real estate	3,699,424	18.8	3,975,562	18.4	3,639,811	17.2
Total Commercial and Commercial Real Estate	9,290,704	47.3	10,414,934	48.2	10,393,620	49.2
Consumer						
Auto leases - Indirect (unearned income \$456,485, \$500,430, and \$524,029)	3,120,317	15.9	3,207,514	14.8	3,194,592	15.1
Auto loans - Indirect	2,630,541	13.4	2,883,279	13.3	2,675,479	12.7
Home equity loans & lines of credit	2,990,726	15.2	3,582,028	16.6	3,406,465	16.1
Residential mortgage	1,210,991	6.2	970,704	4.5	844,417	4.0
Other loans	408,891	2.0	543,414	2.6	613,289	2.9
Total Consumer	10,361,466	52.7	11,186,939	51.8	10,734,242	50.8
<b>Total Loans</b>	<b>\$ 19,652,170</b>	<b>100.0</b>	<b>\$ 21,601,873</b>	<b>100.0</b>	<b>\$ 21,127,862</b>	<b>100.0</b>

**Total Loans by Business Segment**

Regional Banking						
Central Ohio / West Virginia	\$ 4,587,849	23.3	\$ 4,264,143	19.7	\$ 4,241,112	20.1
Northern Ohio	2,722,936	13.9	2,694,081	12.5	2,761,361	13.1
Southern Ohio / Kentucky	1,433,434	7.3	1,327,355	6.1	1,286,152	6.1
West Michigan	1,835,321	9.3	1,837,094	8.5	1,845,281	8.7
East Michigan	1,050,648	5.3	936,899	4.3	819,537	3.9
Indiana	683,268	3.5	695,354	3.2	663,425	3.1
Total Regional Banking	12,313,456	62.6	11,754,926	54.3	11,616,868	55.0
Dealer Sales	6,377,265	32.5	6,239,117	29.0	6,206,823	29.4
Private Financial Group	861,762	4.4	762,771	3.5	638,803	3.0
Treasury / Other	99,687	0.5	121,534	0.6	86,088	0.4
<b>Total Loans excluding Florida</b>	<b>19,652,170</b>	<b>100.0</b>	<b>18,878,348</b>	<b>87.4</b>	<b>18,548,582</b>	<b>87.8</b>
Florida	---	---	2,723,525	12.6	2,579,280	12.2
<b>Total Loans</b>	<b>\$ 19,652,170</b>	<b>100.0</b>	<b>\$ 21,601,873</b>	<b>100.0</b>	<b>\$ 21,127,862</b>	<b>100.0</b>

**Deposit Composition by Deposit Type and by Business Segment**

(in thousands)

By Deposit Type	June 30, 2002		December 31, 2001		June 30, 2001	
	Balance	%	Balance	%	Balance	%
Demand deposits						
Non-interest bearing	\$ 2,769,936	16.4	\$ 3,635,173	18.0	\$ 3,258,252	17.2
Interest bearing	5,105,196	30.3	5,723,160	28.4	4,878,355	25.7
Savings deposits	2,839,115	16.8	3,466,305	17.2	3,640,318	19.2
Other domestic time deposits	4,238,688	25.1	5,868,451	29.1	5,542,738	29.2
<b>Total Core Deposits<sup>(1)</sup></b>	<b>14,952,935</b>	<b>88.6</b>	<b>18,693,089</b>	<b>92.7</b>	<b>17,319,663</b>	<b>91.3</b>
Domestic time deposits of \$100,000 or more	765,163	4.5	1,130,563	5.6	1,167,206	6.1
Brokered time deposits and negotiable CDs	849,347	5.1	137,915	0.7	100,233	0.5
Foreign time deposits	293,655	1.8	225,737	1.0	409,820	2.1
<b>Total Deposits</b>	<b>\$ 16,861,100</b>	<b>100.0</b>	<b>\$ 20,187,304</b>	<b>100.0</b>	<b>\$ 18,996,922</b>	<b>100.0</b>

**Total Deposits by Business Segment**

Regional Banking						
Central Ohio / West Virginia	\$ 5,301,871	31.4	\$ 5,217,459	25.8	\$ 4,702,728	24.8
Northern Ohio	3,377,763	20.0	3,255,847	16.1	3,033,586	16.0
Southern Ohio / Kentucky	1,345,096	8.0	1,290,832	6.4	1,206,253	6.3
West Michigan	2,546,364	15.1	2,226,500	11.0	2,207,616	11.6
East Michigan	1,944,617	11.5	1,895,470	9.4	1,741,008	9.2
Indiana	609,676	3.6	577,699	2.9	542,694	2.9
Total Regional Banking	15,125,387	89.6	14,463,807	71.6	13,433,885	70.8
Dealer Sales	50,363	0.3	82,684	0.4	87,688	0.4
Private Financial Group	811,470	4.8	716,693	3.6	595,424	3.1
Treasury / Other <sup>(2)</sup>	873,880	5.3	256,201	1.3	420,678	2.2
<b>Total Deposits excluding Florida</b>	<b>16,861,100</b>	<b>100.0</b>	<b>15,519,385</b>	<b>76.9</b>	<b>14,537,675</b>	<b>76.5</b>
Florida	---	---	4,667,919	23.1	4,459,247	23.5
<b>Total Deposits</b>	<b>\$ 16,861,100</b>	<b>100.0</b>	<b>\$ 20,187,304</b>	<b>100.0</b>	<b>\$ 18,996,922</b>	<b>100.0</b>

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

<sup>(2)</sup> Comprised largely of brokered deposits and negotiable CDs.

**Huntington Bancshares Incorporated**  
**Consolidated Quarterly Net Interest Margin Analysis**  
**Reported Basis**

(in millions)

Fully Tax Equivalent Basis <sup>(1)</sup>	Average Balances				
	2002		2001		
	Second	First	Fourth	Third	Second
<b>Assets</b>					
Interest bearing deposits in banks	\$ 29	\$ 34	\$ 14	\$ 5	\$ 5
Trading account securities	6	5	8	8	39
Federal funds sold and securities purchased under resale agreements	68	62	86	86	93
Mortgages held for sale	174	381	433	344	420
Securities:					
Taxable	2,735	2,713	2,720	2,896	3,368
Tax exempt	96	101	108	140	201
Total Securities	2,831	2,814	2,828	3,036	3,569
Loans:					
Commercial	5,614	6,045	6,491	6,681	6,741
Real Estate					
Construction	1,420	1,455	1,492	1,388	1,303
Commercial	2,233	2,364	2,397	2,346	2,294
Consumer					
Auto leases - Indirect	3,113	3,166	3,229	3,243	3,222
Auto loans - Indirect	2,597	2,730	2,903	2,806	2,575
Home equity loans & lines of credit	2,911	3,209	3,554	3,456	3,344
Residential mortgage	1,229	1,021	892	854	942
Other loans	413	482	554	574	600
Total Consumer	10,263	10,608	11,132	10,933	10,683
Total Loans	19,530	20,472	21,512	21,348	21,021
Allowance for loan losses	400	415	393	358	316
Net loans	19,130	20,057	21,119	20,990	20,705
Total earning assets	22,638	23,768	24,881	24,827	25,147
Cash and due from banks	722	819	876	910	910
All other assets	1,997	2,372	2,613	2,609	2,608
<b>Total Assets</b>	<b>\$ 24,957</b>	<b>\$ 26,544</b>	<b>\$ 27,977</b>	<b>\$ 27,988</b>	<b>\$ 28,349</b>
<b>Liabilities and Shareholders' Equity</b>					
Core deposits					
Non-interest bearing deposits	\$ 2,739	\$ 3,041	\$ 3,406	\$ 3,341	\$ 3,252
Interest bearing demand deposits	4,920	5,148	5,519	5,096	4,799
Savings deposits	2,808	3,097	3,388	3,472	3,547
Other domestic time deposits	4,218	5,015	5,923	5,940	5,718
Total core deposits	14,685	16,301	18,236	17,849	17,316
Domestic time deposits of \$100,000 or more	852	1,052	1,199	1,262	1,294
Brokered time deposits and negotiable CDs	649	302	109	120	118
Foreign time deposits	296	270	230	257	377
Total deposits	16,482	17,925	19,774	19,488	19,105
Short-term borrowings	1,886	1,998	1,907	2,140	2,759
Medium-term notes	1,910	1,967	1,863	1,990	2,005
Subordinated notes and other long-term debt, including preferred capital securities	1,229	1,233	1,183	1,184	1,180
Total interest bearing liabilities	18,768	20,082	21,321	21,461	21,797
All other liabilities	1,107	1,051	889	811	897
Shareholders' equity	2,343	2,370	2,361	2,375	2,403
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 24,957</b>	<b>\$ 26,544</b>	<b>\$ 27,977</b>	<b>\$ 27,988</b>	<b>\$ 28,349</b>

<sup>(1)</sup> Fully tax equivalent yields are calculated assuming a 35% tax rate.

**Huntington Bancshares Incorporated**  
**Consolidated Quarterly Net Interest Margin Analysis**

**Reported Basis**

(in millions)

Fully Tax Equivalent Basis <sup>(1)</sup>	Average Rates <sup>(3)</sup>				
	2002		2001		
	Second	First	Fourth	Third	Second
<b>Assets</b>					
Interest bearing deposits in banks	2.44 %	2.02 %	2.09 %	3.75 %	5.09 %
Trading account securities	5.37	2.79	3.59	3.83	5.15
Federal funds sold and securities purchased under resale agreements	1.51	1.43	2.18	3.20	4.21
Mortgages held for sale	7.07	6.51	6.64	7.18	6.96
Securities:					
Taxable	6.33	6.43	6.62	6.71	6.26
Tax exempt	7.69	7.76	7.81	7.38	7.26
Total Securities	6.37	6.48	6.66	6.75	6.32
Loans:					
Commercial	5.50	5.39	5.86	6.92	7.44
Real Estate					
Construction	4.81	4.91	5.50	6.62	7.43
Commercial	6.36	6.62	6.85	7.54	7.92
Consumer					
Auto leases - Indirect	6.42	6.62	6.58	6.67	6.71
Auto loans - Indirect	7.98	8.03	8.24	8.45	8.70
Home equity loans & lines of credit	5.72	6.30	7.20	7.87	8.56
Residential mortgage	6.23	6.57	7.17	7.54	7.72
Other loans	7.47	7.41	8.12	7.89	8.01
Total Consumer	6.64	6.92	7.34	7.65	7.94
Total Loans	6.15	6.29	6.71	7.34	7.75
Loan fees	0.55	0.48	0.51	0.53	0.56
Total Loans with fees <sup>(2)</sup>	6.70	6.77	7.22	7.87	8.31
Total earning assets	6.64 %	6.71 %	7.12 %	7.70 %	7.98 %

**Liabilities and Shareholders' Equity**

Core deposits

Non-interest bearing deposits					
Interest bearing demand deposits	1.84 %	1.80 %	2.00 %	2.74 %	2.87 %
Savings deposits	1.83	1.87	2.11	3.00	3.42
Other domestic time deposits	4.61	4.99	5.19	5.52	5.83
Total core deposits	2.29	2.46	2.68	3.20	3.42
Domestic time deposits of \$100,000 or more	2.82	3.05	4.68	4.82	5.33
Brokered time deposits and negotiable CDs	2.48	2.48	3.55	4.42	5.57
Foreign time deposits	1.38	1.91	1.99	3.39	4.11
Total deposits	2.31	2.49	2.80	3.32	3.58
Short-term borrowings	1.97	2.36	2.65	3.69	4.37
Medium-term notes	3.21	3.43	4.58	6.12	6.59
Subordinated notes and other long-term debt, including preferred capital securities	4.05	4.14	4.96	5.19	5.96
Total interest bearing liabilities	2.82 %	3.04 %	3.51 %	4.23 %	4.62 %

Net interest rate spread	3.82 %	3.67 %	3.61 %	3.47 %	3.36 %
Impact of non-interest bearing funds on margin	0.48	0.47	0.50	0.57	0.61
<b>Net Interest Margin</b>	<b>4.30 %</b>	<b>4.14 %</b>	<b>4.11 %</b>	<b>4.04 %</b>	<b>3.97 %</b>

<sup>(1)</sup> Fully tax equivalent yields are calculated assuming a 35% tax rate.

<sup>(2)</sup> Total loans with fees rate includes loan fees, whereas individual loan components above are shown exclusive of fee

<sup>(3)</sup> Loan and deposit average rates include impact of applicable derivatives.

**Huntington Bancshares Incorporated**  
**Selected Quarterly Income Statement Data**  
**Reported Basis**

<i>(in thousands, except per share amounts)</i>	2002		2001		
	Second	First	Fourth	Third	Second
<b>Net Interest Income</b>	<b>\$ 241,859</b>	\$ 242,825	\$ 255,238	\$ 249,787	\$ 248,033
Provision for loan losses	<b>53,892</b>	55,781	108,275	49,559	117,495
<b>Net Interest Income After</b>					
<b>Provision for Loan Losses</b>	<b>187,967</b>	187,044	146,963	200,228	130,538
Service charges on deposit accounts	<b>35,354</b>	38,530	42,753	41,719	40,673
Brokerage and insurance income	<b>17,677</b>	18,792	20,966	19,912	19,388
Trust services	<b>16,247</b>	15,501	15,321	15,485	15,178
Mortgage banking	<b>10,725</b>	19,565	15,768	14,616	18,733
Bank Owned Life Insurance income	<b>11,443</b>	11,676	9,560	9,560	9,561
Other service charges and fees	<b>10,529</b>	10,632	12,552	12,350	12,217
Other	<b>15,039</b>	10,931	16,088	15,755	14,956
<b>Total Non-Interest Income Before Gain on Sale</b>					
<b>of Florida Operations and Securities Gains (Losses)</b>	<b>117,014</b>	125,627	133,008	129,397	130,706
Gain on sale of Florida operations	---	175,344	---	---	---
Securities gains (losses)	<b>966</b>	457	89	1,059	(2,503)
<b>Total Non-Interest Income</b>	<b>117,980</b>	301,428	133,097	130,456	128,203
Personnel costs	<b>105,146</b>	114,285	118,143	120,767	122,068
Outside data processing and other services	<b>16,592</b>	18,439	17,992	17,375	17,671
Equipment	<b>16,659</b>	16,949	20,593	20,151	19,844
Net occupancy	<b>14,756</b>	17,239	19,950	19,266	18,188
Marketing	<b>7,231</b>	7,003	6,345	6,921	7,852
Professional services	<b>6,267</b>	5,401	6,235	5,912	6,763
Telecommunications	<b>5,320</b>	6,018	6,793	6,859	7,207
Printing and supplies	<b>3,683</b>	3,837	4,293	4,450	4,565
Franchise and other taxes	<b>2,313</b>	2,328	2,893	2,470	2,246
Amortization of intangible assets	<b>235</b>	1,376	10,100	10,114	10,435
Other	<b>13,858</b>	14,511	14,017	14,605	16,457
<b>Total Non-Interest Expense Before Special Charges</b>	<b>192,060</b>	207,386	227,354	228,890	233,296
Special charges	---	56,184	15,143	50,817	33,997
<b>Total Non-Interest Expense After Special Charges</b>	<b>192,060</b>	263,570	242,497	279,707	267,293
<b>Income (Loss) Before Income Taxes</b>	<b>113,887</b>	224,902	37,563	50,977	(8,552)
Income taxes	<b>31,647</b>	127,175	(28,086)	8,348	(10,929)
<b>Net Income</b>	<b>\$ 82,240</b>	\$ 97,727	\$ 65,649	\$ 42,629	\$ 2,377
<b>Per Common Share</b>					
Net Income - Diluted	<b>\$0.33</b>	\$0.39	\$0.26	\$0.17	\$0.01
Cash Dividends Declared	<b>\$0.16</b>	\$0.16	\$0.16	\$0.16	\$0.20
<b>Return on:</b>					
Average total assets	<b>1.32%</b>	1.49%	0.93%	0.60%	0.03%
Average total shareholders' equity	<b>14.1%</b>	16.7%	11.0%	7.1%	0.4%
Net interest margin <sup>(1)</sup>	<b>4.30%</b>	4.14%	4.11%	4.04%	3.97%
Efficiency ratio <sup>(2)</sup>	<b>53.3%</b>	55.7%	55.8%	57.5%	58.6%
<b>Revenue - Fully Taxable Equivalent (FTE)</b>					
Net Interest Income	<b>\$ 241,859</b>	\$ 242,825	\$ 255,238	\$ 249,787	\$ 248,033
Tax Equivalent Adjustment <sup>(1)</sup>	<b>1,071</b>	1,169	1,292	1,442	1,616
Net Interest Income	<b>242,930</b>	243,994	256,530	251,229	249,649
Non-Interest Income	<b>117,980</b>	301,428	133,097	130,456	128,203
<b>Total Revenue</b>	<b>\$ 360,910</b>	\$ 545,422	\$ 389,627	\$ 381,685	\$ 377,852
<b>Total Revenue Excluding Securities Gains (Losses)</b>	<b>\$ 359,944</b>	\$ 544,965	\$ 389,538	\$ 380,626	\$ 380,355

<sup>(1)</sup> Calculated assuming a 35% tax rate.

<sup>(2)</sup> Excludes gain on sale of Florida operations and special charges.

**Huntington Bancshares Incorporated**  
**Loan Loss Reserve and Net Charge-off Analysis**  
**Reported Basis**

<i>(in thousands)</i>	2002			2001	
	Second	First	Fourth	Third	Second
<b>Allowance for Loan Losses, Beginning of Period</b>	<b>\$ 386,053</b>	\$ 410,572	\$ 360,446	\$ 352,243	\$ 301,777
Loan losses	(57,482)	(67,527)	(66,808)	(49,386)	(75,472)
Recoveries of loans previously charged off	12,582	11,746	10,662	9,643	10,007
<b>Net loan losses</b>	<b>(44,900)</b>	(55,781)	(56,146)	(39,743)	(65,465)
Allowance of assets sold	---	(22,297)	---	---	---
Allowance of securitized loans	(2,034)	(2,222)	(2,003)	(1,613)	(1,564)
Provision for loan losses	53,892	55,781	108,275	49,559	117,495
<b>Allowance for Loan Losses, End of Period</b>	<b>\$ 393,011</b>	\$ 386,053	\$ 410,572	\$ 360,446	\$ 352,243
Allowance for loan losses as a % of total loans	2.00 %	2.00 %	1.90 %	1.67 %	1.67 %
Allowance for loan losses as a % of non-performing loans	185.3 %	175.9 %	185.7 %	178.4 %	225.7 %
Allowance for loan losses and OREO as a % of non-performing assets	175.7 %	170.9 %	180.1 %	171.1 %	211.2 %
<b>Net Charge-offs by Loan Type</b>					
Commercial	\$ 21,528	\$ 19,586	\$ 22,555	\$ 10,141	\$ 13,190
Commercial real estate	2,037	3,983	797	3	1,624
Total commercial and commercial real estate	23,565	23,569	23,352	10,144	14,814
Consumer					
Auto leases	8,401	12,809	12,634	10,395	17,535
Auto loans	7,356	12,759	13,106	11,306	24,568
Home equity loans & lines of credit	3,096	3,950	4,153	4,866	2,936
Residential mortgage	555	122	376	109	241
Other loans	1,927	2,572	2,525	2,923	5,371
Total consumer	21,335	32,212	32,794	29,599	50,651
<b>Total Net Charge-offs</b>	<b>\$ 44,900</b>	\$ 55,781	\$ 56,146	\$ 39,743	\$ 65,465
<b>Net Charge-offs - Annualized Percentages</b>					
Commercial	1.54 %	1.31 %	1.38 %	0.60 %	0.78 %
Commercial real estate	0.22	0.42	0.08	0.00	0.18
Total commercial and commercial real estate	1.02	0.97	0.89	0.39	0.57
Consumer					
Auto leases	1.08	1.64	1.55	1.27	2.17
Auto loans	1.14	1.90	1.79	1.60	3.83
Home equity loans & lines of credit	0.43	0.50	0.46	0.56	0.35
Residential mortgage	0.18	0.05	0.17	0.05	0.10
Other loans	1.87	2.16	1.81	2.02	3.59
Total consumer	0.83	1.23	1.17	1.07	1.90
<b>Total Net Charge-offs</b>	<b>0.92 %</b>	1.11 %	1.04 %	0.74 %	1.25 %
<b>Net Charge-offs as a % of Average Loans - Excluding Exited Businesses</b>					
	0.88 %	1.04 %	0.98 %	0.61 %	0.73 %

**Huntington Bancshares Incorporated**  
**Non-Performing Assets and Past Due Loans**  
**Reported Basis**

<i>(in thousands)</i>	2002			2001	
	Second	First	Fourth	Third	Second
Non-accrual loans:					
Commercial	\$ 156,252	\$ 162,959	\$ 159,637	\$ 148,177	\$ 116,044
Commercial real estate	45,795	43,295	48,360	40,882	26,870
Residential mortgage	8,776	11,896	11,836	11,666	11,868
<b>Total Nonaccrual Loans</b>	<b>210,823</b>	218,150	219,833	200,725	154,782
Renegotiated loans	1,268	1,268	1,276	1,286	1,290
<b>Total Non-Performing Loans</b>	<b>212,091</b>	219,418	221,109	202,011	156,072
Other real estate, net	11,146	6,112	6,384	8,050	9,913
<b>Total Non-Performing Assets</b>	<b>\$ 223,237</b>	\$ 225,530	\$ 227,493	\$ 210,061	\$ 165,985

Non-performing loans as a % of total loans	1.08%	1.13%	1.02%	0.94%	0.74%
Non-performing assets as a % of total loans and other real estate	1.14%	1.17%	1.05%	0.97%	0.79%

<b>Accruing loans past due 90 days or more</b>	<b>\$ 58,449</b>	\$ 61,746	\$ 91,635	\$ 92,791	\$ 67,077
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<i>(in thousands)</i>	2002			2001	
	Second	First	Fourth	Third	Second
<b>Non-Performing Assets, Beginning of Period</b>	<b>\$ 225,530</b>	\$ 227,493	\$ 210,061	\$ 165,985	\$ 124,886
New non-performing assets	73,002	74,446	85,986	94,990	95,037 <sup>(2)</sup>
Loan losses	(28,297)	(26,072)	(34,580)	(12,480)	(13,188)
Payments	(44,303)	(37,663)	(28,315)	(34,219)	(19,332)
Sales	(2,358)	(8,925) <sup>(1)</sup>	(4,131)	(3,331)	(21,306) <sup>(2)</sup>
Other	(337)	(3,749)	(1,528)	(884)	(112)
<b>Non-Performing Assets, End of Period</b>	<b>\$ 223,237</b>	\$ 225,530	\$ 227,493	\$ 210,061	\$ 165,985

<sup>(1)</sup> Includes \$6.5 million related to the sale of Florida operations.

<sup>(2)</sup> Includes \$14.9 million related to investment in Pacific Gas & Electric commercial paper.

**Huntington Bancshares Incorporated**  
**Stock Summary, Capital, and Other Data**  
**Reported Basis**

	2002		2001		
	Second	First	Fourth	Third	Second
High	\$ 21.770	\$ 20.310	\$ 17.490	\$ 19.280	\$ 17.000
Low	18.590	16.660	14.510	15.150	13.875
Close	19.420	19.700	17.190	17.310	16.375
Average Closing Price	20.089	18.332	16.269	17.696	14.936
Cash dividends declared	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.20

Note: Intra-day and closing stock price quotations were obtained from NASDAQ.

**Capital Data - End of Period**

<i>(in millions)</i>	2002		2001		
	Second <sup>(1)</sup>	First	Fourth	Third	Second
Total Risk-Adjusted Assets	\$ 25,320	\$ 24,935	\$ 27,896	\$ 27,757	\$ 27,375
Tier 1 Risk-Based Capital Ratio	9.72%	10.26%	7.24%	6.97%	7.01%
Total Risk-Based Capital Ratio	12.75%	13.40%	10.29%	10.13%	10.20%
Tier 1 Leverage Ratio	9.94%	9.72%	7.41%	7.10%	6.96%
Tangible Equity / Asset Ratio	8.41%	9.03%	6.04%	5.96%	5.97%

**Other Data - End of Period**

	2002		2001		
	Second	First	Fourth	Third	Second
<u>Number of employees (full-time equivalent)</u>					
Huntington, excluding Florida operations	8,174	8,342	8,521	8,487	8,566
Florida operations <sup>(2)</sup>	---	---	1,222	1,232	1,215
Total Huntington	8,174	8,342	9,743	9,719	9,781

<sup>(1)</sup> Estimated.

<sup>(2)</sup> Excludes impact of support staff for Florida operations outside of Florida.

## **Supplemental Selected Information -- Operating Basis**

### **Excludes:**

- **Results of Florida Operations**
- **Gain from sales of Florida Operations**
- **Restructuring and Other Charges**

**Huntington Bancshares Incorporated**  
**Consolidated Statements of Income**  
**Operating Basis <sup>(1)</sup>**

<b>Three Months Ended June 30,</b>			<b>Change</b>	
<i>(in thousands, except per share amounts)</i>	<b>2002</b>	2001	Amount	Percent
Net Interest Income	<b>\$ 241,859</b>	\$ 225,883	\$ 15,976	7.1 %
Provision for loan losses	<b>53,892</b>	41,937	11,955	28.5
<b>Net Interest Income</b>				
<b>After Provision for Loan Losses</b>	<b>187,967</b>	183,946	4,021	2.2
Total non-interest income	<b>115,270</b>	113,608	1,662	1.5
Total non-interest expense	<b>190,185</b>	192,443	(2,258)	(1.2)
<b>Income Before Income Taxes</b>	<b>113,052</b>	105,111	7,941	7.6
Income taxes	<b>31,344</b>	29,509	1,835	6.2
<b>Net Income</b>	<b>\$ 81,708</b>	\$ 75,602	\$ 6,106	8.1 %
<b>Per Common Share</b>				
Net income				
Basic	<b>\$0.33</b>	\$0.30	\$ 0.03	10.0 %
Diluted	<b>\$0.33</b>	\$0.30	\$ 0.03	10.0 %
Cash dividends declared	<b>\$0.16</b>	\$0.20	\$ (0.04)	(20.0) %
<b>Average Common Shares</b>				
Basic	<b>246,106</b>	251,024	(4,918)	(2.0) %
Diluted	<b>247,867</b>	251,448	(3,581)	(1.4) %

<b>Six Months Ended June 30,</b>			<b>Change</b>	
<i>(in thousands, except per share amounts)</i>	<b>2002</b>	2001	Amount	Percent
Net Interest Income	<b>\$ 474,960</b>	\$ 447,901	\$ 27,059	6.0 %
Provision for loan losses	<b>104,487</b>	71,646	32,841	45.8
<b>Net Interest Income</b>				
<b>After Provision for Loan Losses</b>	<b>370,473</b>	376,255	(5,782)	(1.5)
Total non-interest income	<b>230,721</b>	212,259	18,462	8.7
Total non-interest expense	<b>379,236</b>	386,260	(7,024)	(1.8)
<b>Income Before Income Taxes</b>	<b>221,958</b>	202,254	19,704	9.7
Income taxes	<b>60,737</b>	55,197	5,540	10.0
<b>Net Income</b>	<b>\$ 161,221</b>	\$ 147,057	\$ 14,164	9.6 %
<b>Per Common Share</b>				
Net income				
Basic	<b>\$0.65</b>	\$0.58	\$ 0.07	12.1 %
Diluted	<b>\$0.65</b>	\$0.58	\$ 0.07	12.1 %
Cash dividends declared	<b>\$0.32</b>	\$0.40	\$ (0.08)	(20.0) %
<b>Average Common Shares</b>				
Basic	<b>248,415</b>	250,984	(2,569)	(1.0) %
Diluted	<b>249,946</b>	251,479	(1,533)	(0.6) %

<sup>(1)</sup> See page 10 for definition of Operating Basis.

## Huntington Bancshares Incorporated

### Loans and Deposits

#### Operating Basis <sup>(1)</sup>

<i>(in thousands)</i>	2002		2001		
	Second	First	Fourth	Third	Second
<b>Loan Portfolio Composition - Average</b>					
Commercial	\$ 5,613,550	\$ 5,661,005	\$ 5,750,830	\$ 5,945,639	\$ 5,986,587
Commercial real estate	3,652,906	3,601,097	3,467,082	3,314,778	3,183,814
Total Commercial and Commercial Real Estate	9,266,456	9,262,102	9,217,912	9,260,417	9,170,401
Consumer					
Auto leases - Indirect	3,113,148	3,166,161	3,229,203	3,242,864	3,221,612
Auto loans - Indirect	2,596,908	2,559,700	2,489,183	2,445,459	2,289,014
Home equity loans & lines of credit	2,910,612	2,788,083	2,753,141	2,709,125	2,663,676
Residential mortgage	1,229,390	904,277	671,967	619,578	696,160
Other loans	413,975	424,111	445,740	458,999	485,096
Total Consumer	10,264,033	9,842,332	9,589,234	9,476,025	9,355,558
<b>Total Loans</b>	<b>\$ 19,530,489</b>	<b>\$ 19,104,434</b>	<b>\$ 18,807,146</b>	<b>\$ 18,736,442</b>	<b>\$ 18,525,959</b>

#### **Loan Portfolio Composition - End of Period**

Commercial	\$ 5,591,280	\$ 5,681,788	\$ 5,685,719	\$ 5,912,371	\$ 6,012,647
Commercial real estate	3,699,424	3,645,114	3,555,354	3,432,502	3,227,577
Total Commercial and Commercial Real Estate	9,290,704	9,326,902	9,241,073	9,344,873	9,240,224
Consumer					
Auto leases - Indirect	3,120,317	3,126,101	3,207,514	3,221,300	3,194,592
Auto loans - Indirect	2,630,541	2,561,936	2,501,054	2,509,504	2,300,212
Home equity loans & lines of credit	2,990,726	2,830,814	2,754,612	2,742,016	2,689,868
Residential mortgage	1,210,991	1,075,141	736,802	652,373	623,492
Other loans	408,891	418,053	437,293	475,552	500,194
Total Consumer	10,361,466	10,012,045	9,637,275	9,600,745	9,308,358
<b>Total Loans</b>	<b>\$ 19,652,170</b>	<b>\$ 19,338,947</b>	<b>\$ 18,878,348</b>	<b>\$ 18,945,618</b>	<b>\$ 18,548,582</b>

#### **Deposit Composition - Average**

Demand deposits					
Non-interest bearing	\$ 2,738,621	\$ 2,737,978	\$ 2,824,035	\$ 2,761,240	\$ 2,667,334
Interest bearing	4,920,120	4,362,050	4,013,874	3,687,335	3,455,963
Savings deposits	2,807,874	2,829,922	2,862,649	2,922,867	2,976,864
Other domestic time deposits	4,218,104	4,097,383	4,123,478	4,126,677	3,942,256
<b>Total Core Deposits <sup>(2)</sup></b>	<b>14,684,719</b>	<b>14,027,333</b>	<b>13,824,036</b>	<b>13,498,119</b>	<b>13,042,417</b>
Domestic time deposits of \$100,000 or more	852,407	958,812	1,007,978	1,053,133	1,077,601
Brokered time deposits and negotiable CDs	649,340	301,612	108,591	119,646	118,321
Foreign time deposits	296,428	267,512	223,675	249,753	371,276
<b>Total Deposits</b>	<b>\$ 16,482,894</b>	<b>\$ 15,555,269</b>	<b>\$ 15,164,280</b>	<b>\$ 14,920,651</b>	<b>\$ 14,609,615</b>

#### **Deposit Composition - End of Period**

Demand deposits					
Non-interest bearing	\$ 2,769,936	\$ 2,857,233	\$ 2,997,449	\$ 2,889,319	\$ 2,660,607
Interest bearing	5,105,196	4,747,283	4,197,893	3,841,646	3,521,499
Savings deposits	2,839,115	2,895,445	2,943,508	2,929,922	3,061,890
Other domestic time deposits	4,238,688	4,179,814	4,077,510	4,214,865	3,833,761
<b>Total Core Deposits <sup>(2)</sup></b>	<b>14,952,935</b>	<b>14,679,775</b>	<b>14,216,360</b>	<b>13,875,752</b>	<b>13,077,757</b>
Domestic time deposits of \$100,000 or more	765,163	895,427	944,361	1,114,421	955,616
Brokered time deposits and negotiable CDs	849,347	451,173	137,915	128,878	100,233
Foreign time deposits	293,655	240,410	220,749	359,452	404,069
<b>Total Deposits</b>	<b>\$ 16,861,100</b>	<b>\$ 16,266,785</b>	<b>\$ 15,519,385</b>	<b>\$ 15,478,503</b>	<b>\$ 14,537,675</b>

<sup>(1)</sup> See page 10 for definition of Operating Basis.

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

## Huntington Bancshares Incorporated

### Consolidated Quarterly Net Interest Margin Analysis

#### Operating Basis <sup>(1)</sup>

(in millions)

Fully Tax Equivalent Basis <sup>(2)</sup>	Average Balances				
	2002		2001		
	Second	First	Fourth	Third	Second
<b>Assets</b>					
Interest bearing deposits in banks	\$ 29	\$ 34	\$ 14	\$ 5	\$ 5
Trading account securities	6	5	8	8	39
Federal funds sold and securities purchased under resale agreements	68	62	86	86	93
Mortgages held for sale	174	381	433	344	420
Securities:					
Taxable	2,735	2,713	2,720	2,896	3,368
Tax exempt	96	102	108	140	201
Total Securities	2,831	2,815	2,828	3,036	3,569
Loans:					
Commercial	5,614	5,661	5,751	5,946	5,986
Real Estate					
Construction	1,420	1,405	1,386	1,281	1,190
Commercial	2,233	2,196	2,081	2,034	1,994
Consumer					
Auto leases - Indirect	3,113	3,166	3,229	3,243	3,222
Auto loans - Indirect	2,597	2,560	2,489	2,445	2,289
Home equity loans & lines of credit	2,911	2,788	2,753	2,709	2,664
Residential mortgage	1,229	904	672	619	696
Other loans	413	424	446	459	485
Total Consumer	10,263	9,842	9,589	9,475	9,356
Total Loans	19,530	19,104	18,807	18,736	18,526
Allowance for loan losses	400	403	371	315	279
Net loans	19,130	18,701	18,436	18,421	18,247
Total earning assets	22,638	22,401	22,176	22,215	22,652
Cash and due from banks	722	774	798	831	830
All other assets	1,997	2,008	2,010	2,002	1,990
<b>Total Assets</b>	<b>\$ 24,957</b>	<b>\$ 24,780</b>	<b>\$ 24,613</b>	<b>\$ 24,733</b>	<b>\$ 25,193</b>

#### Liabilities and Shareholders' Equity

##### Core deposits

Non-interest bearing deposits	\$ 2,739	\$ 2,738	\$ 2,824	\$ 2,761	\$ 2,667
Interest bearing demand deposits	4,920	4,362	4,014	3,687	3,456
Savings deposits	2,808	2,830	2,863	2,923	2,977
Other domestic time deposits	4,218	4,097	4,123	4,127	3,942
Total core deposits	14,685	14,027	13,824	13,498	13,042
Domestic time deposits of \$100,000 or more	852	959	1,008	1,053	1,078
Brokered time deposits and negotiable CDs	649	302	109	120	118
Foreign time deposits	296	268	224	250	371
Total deposits	16,482	15,556	15,165	14,921	14,609
Short-term borrowings	1,886	1,925	1,745	1,998	2,628
Medium-term notes	1,910	2,645	3,272	3,443	3,476
Subordinated notes and other long-term debt, including preferred capital securities	1,229	1,232	1,183	1,184	1,180
Total interest bearing liabilities	18,768	18,620	18,541	18,785	19,226
All other liabilities	1,107	1,052	887	812	897
Shareholders' equity	2,343	2,370	2,361	2,375	2,403
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 24,957</b>	<b>\$ 24,780</b>	<b>\$ 24,613</b>	<b>\$ 24,733</b>	<b>\$ 25,193</b>

<sup>(1)</sup> See page 10 for definition of Operating Basis.

<sup>(2)</sup> Fully tax equivalent yields are calculated assuming a 35% tax rate.

# Huntington Bancshares Incorporated

## Consolidated Quarterly Net Interest Margin Analysis

### Operating Basis <sup>(1)</sup>

(in millions)

	Average Rates <sup>(4)</sup>				
	2002		2001		
Fully Tax Equivalent Basis <sup>(2)</sup>	Second	First	Fourth	Third	Second
<b>Assets</b>					
Interest bearing deposits in banks	2.44 %	2.02 %	2.09 %	3.75 %	5.09 %
Trading account securities	5.37	2.79	3.59	3.83	5.15
Federal funds sold and securities purchased					
under resale agreements	1.51	1.43	2.18	3.20	4.21
Mortgages held for sale	7.07	6.51	6.64	7.18	6.96
Securities:					
Taxable	6.33	6.43	6.62	6.71	6.26
Tax exempt	7.69	7.76	7.81	7.38	7.26
Total Securities	6.37	6.48	6.66	6.75	6.32
Loans:					
Commercial	5.50	5.37	5.81	6.93	7.41
Real Estate					
Construction	4.81	4.91	5.49	6.60	7.44
Commercial	6.36	6.66	6.88	7.58	7.95
Consumer					
Auto leases - Indirect	6.42	6.62	6.58	6.67	6.71
Auto loans - Indirect	7.98	7.98	8.29	8.61	8.86
Home equity loans & lines of credit	5.72	6.09	7.05	7.73	8.47
Residential mortgage	6.23	6.60	7.10	7.55	7.70
Other loans	7.47	7.64	8.26	8.04	8.14
Total Consumer	6.64	6.86	7.27	7.59	7.88
Total Loans	6.15	6.25	6.65	7.32	7.71
Loan fees	0.55	0.49	0.53	0.56	0.60
Total Loans with fees <sup>(3)</sup>	6.70	6.74	7.18	7.88	8.31
Total earning assets	6.64 %	6.68 %	7.08 %	7.69 %	7.94 %
<b>Liabilities and Shareholders' Equity</b>					
Core deposits					
Non-interest bearing deposits					
Interest bearing demand deposits	1.84 %	1.79 %	1.93 %	2.73 %	2.87 %
Savings deposits	1.83	1.85	2.08	3.04	3.46
Other domestic time deposits	4.61	4.99	5.18	5.52	5.83
Total core deposits	2.29	2.39	2.54	3.09	3.31
Domestic time deposits of \$100,000 or more	2.82	2.91	4.66	4.70	5.23
Brokered time deposits and negotiable CDs	2.48	2.48	3.55	4.42	5.57
Foreign time deposits	1.38	1.92	1.99	3.40	4.11
Total deposits	2.31	2.41	2.68	3.22	3.49
Short-term borrowings	1.97	2.39	2.73	3.75	4.40
Medium-term notes	3.21	3.00	3.45	4.82	5.51
Subordinated notes and other long-term debt,					
including preferred capital securities	4.05	4.14	4.96	5.19	5.96
Total interest bearing liabilities	2.82 %	2.96 %	3.37 %	4.17 %	4.62 %
Net interest rate spread	3.82 %	3.72 %	3.71 %	3.52 %	3.32 %
Impact of non-interest bearing funds on margin	0.48	0.49	0.55	0.65	0.71
<b>Net Interest Margin</b>	<b>4.30 %</b>	<b>4.21 %</b>	<b>4.26 %</b>	<b>4.17 %</b>	<b>4.03 %</b>

<sup>(1)</sup> See page 10 for definition of Operating Basis.

<sup>(2)</sup> Fully tax equivalent yields are calculated assuming a 35% tax rate.

<sup>(3)</sup> Total loans with fees rate includes loan fees, whereas individual loan components above are shown exclusive of fees.

<sup>(4)</sup> Loan and deposit average rates include impact of applicable derivatives.

**Huntington Bancshares Incorporated**  
**Selected Quarterly Income Statement Data**  
**Operating Basis <sup>(1)</sup>**

<i>(in thousands, except per share amounts)</i>	2002			2001	
	Second	First	Fourth	Third	Second
<b>Net Interest Income</b>	<b>\$ 241,859</b>	\$ 233,101	\$ 235,546	\$ 230,462	\$ 225,883
Provision for loan losses	53,892	50,595	54,281	46,027	41,937
<b>Net Interest Income After Provision for Loan Losses</b>	<b>187,967</b>	182,506	181,265	184,435	183,946
Service charges on deposit accounts	35,354	34,282	35,220	33,593	32,650
Brokerage and insurance income	14,967	14,587	15,066	13,943	13,185
Trust services	16,247	15,096	14,679	14,816	14,431
Mortgage banking	10,725	19,644	15,049	13,859	17,672
Bank Owned Life Insurance income	11,443	11,676	9,560	9,560	9,561
Other service charges and fees	10,529	9,118	9,582	9,547	9,383
Other	15,039	10,591	15,135	14,722	13,979
<b>Total Non-Interest Income Before Securities Gains</b>	<b>114,304</b>	114,994	114,291	110,040	110,861
Securities gains	966	457	89	1,059	2,747
<b>Total Non-Interest Income</b>	<b>115,270</b>	115,451	114,380	111,099	113,608
Personnel costs	103,589	104,320	100,076	101,866	103,707
Outside data processing and other services	16,592	17,097	15,414	14,650	15,100
Equipment	16,608	15,582	18,117	17,580	17,363
Net occupancy	14,642	14,771	15,251	14,481	13,755
Marketing	7,219	7,174	5,305	5,717	6,807
Professional services	6,265	5,242	6,069	5,754	6,481
Telecommunications	5,302	5,282	5,647	5,728	5,964
Printing and supplies	3,671	3,519	3,511	3,693	3,688
Franchise and other taxes	2,313	2,326	2,885	2,439	2,229
Amortization of intangible assets	203	251	2,555	2,569	2,890
Other	13,781	13,487	12,599	12,577	14,459
<b>Total Non-Interest Expense</b>	<b>190,185</b>	189,051	187,429	187,054	192,443
<b>Income Before Income Taxes</b>	<b>113,052</b>	108,906	108,216	108,480	105,111
Income taxes	31,344	29,393	28,631	27,587	29,509
<b>Net Income</b>	<b>\$ 81,708</b>	\$ 79,513	\$ 79,585	\$ 80,893	\$ 75,602
<b>Net Income per Common Share - Diluted</b>	<b>\$0.33</b>	\$0.32	\$0.32	\$0.32	\$0.30
<b>Return on</b>					
Average total assets	1.31%	1.30%	1.28%	1.30%	1.20%
Average total shareholders' equity	14.0%	13.6%	13.4%	13.5%	12.6%
Net interest margin <sup>(2)</sup>	4.30%	4.21%	4.26%	4.17%	4.03%
Efficiency ratio	53.2%	54.1%	52.7%	54.0%	56.0%
Effective tax rate	27.7%	27.0%	26.5%	25.4%	28.1%
<b>Revenue - Fully Taxable Equivalent (FTE)</b>					
Net Interest Income	\$ 241,859	\$ 233,101	\$ 235,546	\$ 230,462	\$ 225,883
Tax Equivalent Adjustment <sup>(2)</sup>	1,071	1,169	1,292	1,442	1,616
Net Interest Income	242,930	234,270	236,838	231,904	227,499
Non-Interest Income	115,270	115,451	114,380	111,099	113,608
<b>Total Revenue</b>	<b>\$ 358,200</b>	\$ 349,721	\$ 351,218	\$ 343,003	\$ 341,107
<b>Total Revenue Excluding Securities Gains</b>	<b>\$ 357,234</b>	\$ 349,264	\$ 351,129	\$ 341,944	\$ 338,360

<sup>(1)</sup> See page 10 for definition of Operating Basis.

<sup>(2)</sup> Calculated assuming a 35% tax rate.

**Huntington Bancshares Incorporated**  
**Loan Loss Reserve and Net Charge-off Analysis**  
**Operating Basis <sup>(1)</sup>**

<i>(in thousands)</i>	2002			2001	
	Second	First	Fourth	Third	Second
<b>Allowance for Loan Losses, Beginning of Period</b>	<b>\$ 386,053</b>	\$ 386,956	\$ 334,827	\$ 326,495	\$ 276,116
Loan losses	<b>(57,482)</b>	(60,191)	(60,110)	(45,063)	(71,104)
Recoveries of loans previously charged off	<b>12,582</b>	10,915	9,961	8,981	9,392
Net loan losses	<b>(44,900)</b>	(49,276)	(50,149)	(36,082)	(61,712)
Allowance of assets sold	---	---	---	---	---
Allowance of securitized loans	<b>(2,034)</b>	(2,222)	(2,003)	(1,613)	(1,564)
Provision for loan losses	<b>53,892</b>	50,595	104,281 <sup>(3)</sup>	46,027	113,655 <sup>(2)</sup>
<b>Allowance for Loan Losses, End of Period</b>	<b>\$ 393,011</b>	\$ 386,053	\$ 386,956	\$ 334,827	\$ 326,495
Allowance for loan losses as a % of total loans	<b>2.00 %</b>	2.00 %	2.05 %	1.77 %	1.76 %
Allowance for loan losses as a % of non-performing loans	<b>185.3 %</b>	175.9 %	181.4 %	173.4 %	222.1 %
Allowance for loan losses and OREO as a % of non-performing assets	<b>175.7 %</b>	170.9 %	175.8 %	165.9 %	207.1 %
<b>Net Charge-offs by Loan Type</b>					
Commercial	<b>\$ 21,528</b>	\$ 16,151	\$ 19,475	\$ 9,422	\$ 11,507
Commercial real estate	<b>2,037</b>	3,723	867	3	1,704
Total commercial and commercial real estate	<b>23,565</b>	19,874	20,342	9,425	13,211
Consumer					
Auto leases	<b>8,401</b>	12,809	12,634	10,395	17,535
Auto loans	<b>7,356</b>	11,430	11,397	10,133	23,437
Home equity loans & lines of credit	<b>3,096</b>	2,814	3,313	3,772	2,311
Residential mortgage	<b>555</b>	104	370	93	241
Other loans	<b>1,927</b>	2,245	2,093	2,264	4,977
Total consumer	<b>21,335</b>	29,402	29,807	26,657	48,501
<b>Total Net Charge-offs</b>	<b>\$ 44,900</b>	\$ 49,276	\$ 50,149	\$ 36,082	\$ 61,712
<b>Net Charge-offs - Annualized Percentages</b>					
Commercial	<b>1.54 %</b>	1.16 %	1.34 %	0.63 %	0.77 %
Commercial real estate	<b>0.22</b>	0.42	0.10	0.00	0.21
Total commercial and commercial real estate	<b>1.02</b>	0.87	0.88	0.40	0.58
Consumer					
Auto leases	<b>1.08</b>	1.64	1.55	1.27	2.17
Auto loans	<b>1.14</b>	1.81	1.82	1.64	4.11
Home equity loans & lines of credit	<b>0.43</b>	0.41	0.48	0.55	0.35
Residential mortgage	<b>0.18</b>	0.05	0.22	0.06	0.14
Other loans	<b>1.87</b>	2.15	1.86	1.96	4.12
Total consumer	<b>0.83</b>	1.21	1.23	1.12	2.08
<b>Total Net Charge-offs</b>	<b>0.92 %</b>	1.05 %	1.06 %	0.76 %	1.33 %
<b>Net Charge-offs as a % of Average Loans - Excluding Exited Businesses</b>					
	<b>0.88 %</b>	0.97 %	0.99 %	0.61 %	0.74 %

<sup>(1)</sup> See page 10 for definition of Operating Basis.

<sup>(2)</sup> Includes provision of \$71.7 million recorded to recognize the estimated increased losses resulting from Huntington's decision to exit sub-prime automobile lending and truck and equipment leasing, to charge-off of delinquent consumer and small business loans more than 120 days past due, to increase reserves for consumer bankruptcies, and to increase commercial loan reserves.

**Huntington Bancshares Incorporated**  
**Non-Performing Assets and Past Due Loans**  
**Operating Basis <sup>(1)</sup>**

<i>(in thousands)</i>	2002		2001		
	Second	First	Fourth	Third	Second
Non-accrual loans:					
Commercial	<b>\$ 156,252</b>	\$ 162,959	\$ 155,720	\$ 143,132	\$ 111,363
Commercial real estate	<b>45,795</b>	43,295	45,180	37,772	23,418
Residential mortgage	<b>8,776</b>	11,896	11,086	10,923	10,916
Total Nonaccrual Loans	<b>210,823</b>	218,150	211,986	191,827	145,697
Renegotiated loans	<b>1,268</b>	1,268	1,276	1,286	1,290
<b>Total Non-Performing Loans</b>	<b>212,091</b>	219,418	213,262	193,113	146,987
Other real estate, net	<b>11,146</b>	6,112	6,384	8,050	9,913
<b>Total Non-Performing Assets</b>	<b>\$ 223,237</b>	\$ 225,530	\$ 219,646	\$ 201,163	\$ 156,900
Non-performing loans as a % of total loans	<b>1.08%</b>	1.13%	1.13%	1.02%	0.79%
Non-performing assets as a % of total loans and other real estate	<b>1.14%</b>	1.17%	1.16%	1.06%	0.85%
<b>Accruing loans past due 90 days or more</b>	<b>\$ 58,449</b>	\$ 61,746	\$ 76,295	\$ 79,339	\$ 54,228

<sup>(1)</sup> See page 10 for definition of Operating Basis.