# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

# FORM 10-K

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file Number 0-2525

HUNTINGTON BANCSHARES INCORPORATED

(Exact name of registrant as specified in its charter)

| MARYLAND | 31-0724920 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

HUNTINGTON CENTER, 41 S. HIGH STREET, COLUMBUS, OH 43287

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (614) 480-8300

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK - WITHOUT PAR VALUE

(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of voting stock held by non-affiliates of the registrant as of December 31, 2000, was $3,623,508,095. As of February 21, 2001, 250,993,499 shares of common stock without par value were outstanding.

Documents Incorporated By Reference

Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement for the 2001 Annual Shareholders' Meeting.

HUNTINGTON BANCSHARES INCORPORATED

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Huntington Bancshares Incorporated

# Part I

## ITEM 1: BUSINESS

Huntington Bancshares Incorporated (Huntington), incorporated in Maryland in 1966, is a multi-state bank holding company that also qualified (in March 2000) as a financial holding company. Huntington is headquartered in Columbus, Ohio. Its subsidiaries are engaged in full-service commercial and consumer banking, mortgage banking, lease financing, trust services, discount brokerage services, underwriting credit life and disability insurance, issuing commercial paper guaranteed by Huntington, and selling other insurance and financial products and services. At December 31, 2000, Huntington's subsidiaries had 175 banking offices in Ohio, 139 banking offices in Florida, 127 banking offices in Michigan, 32 banking offices in West Virginia, 23 banking offices in Indiana, 12 banking offices in Kentucky, and one foreign office in the Cayman Islands and Hong Kong, respectively. The Huntington Mortgage Company (a wholly owned subsidiary) has loan origination offices throughout the Midwest and East Coast. Foreign banking activities, in total or with any individual country, are not significant to the operations of Huntington. At December 31, 2000, Huntington and its subsidiaries had 9,693 full-time equivalent employees.

A brief discussion of Huntington's lines of business can be found in its Management's Discussion and Analysis beginning on page 11 of this report. The financial statement results of these lines of business can be found in Note 22 of the Notes to Consolidated Financial Statements beginning on page 51.

Competition in the form of price and service from other banks and financial companies such as savings and loans, credit unions, finance companies, and brokerage firms is intense in most of the markets served by Huntington and its subsidiaries. Mergers between and the expansion of financial institutions both within and outside Ohio have provided significant competitive pressure in major markets. Since 1995, when federal interstate banking legislation became effective that made it permissible for bank holding companies in any state to

acquire banks in any other state, and for banks to establish interstate branches (subject to certain limitations by individual states), actual or potential competition in each of Huntington's markets has been intensified. Internet banking, offered both by established traditional institutions and by start-up Internet-only banks, constitutes another significant form of competitive pressure on Huntington's business. Finally, financial services reform legislation enacted in November 1999 (see "Gramm-Leach-Bliley Act of 1999" below) eliminates the long-standing Glass-Steagall Act restrictions on securities activities of bank holding companies and banks. The new legislation permits bank holding companies that elect to become financial holding companies to engage in a broad range of financial activities, including defined securities and insurance activities, and to affiliate with securities and insurance firms. Correspondingly, it permits securities and insurance firms to engage in banking activities under specified conditions. The same legislation allows banks to have financial subsidiaries that may engage in certain activities not otherwise permissible for banks.

In June 2000, Huntington consummated a merger with Empire Banc Corporation, Traverse City, Michigan. In August 2000, Huntington consummated a merger with J. Rolfe Davis Insurance Agency, Inc., Maitland, Florida. Additional information about these acquisitions can be found in Note 23 in the Notes to Consolidated Financial Statements on page 53.

REGULATORY MATTERS

To the extent that the following information describes statutory or regulatory provisions, it is qualified in its entirety by reference to such statutory or regulatory provisions.

GENERAL

As a financial holding company, Huntington is subject to examination and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). Huntington is required to file with the Federal Reserve Board reports and other information regarding its business operations and the business operations of its subsidiaries. It is also required to obtain Federal Reserve Board approval prior to acquiring, directly or indirectly, ownership or control of voting shares of any bank, if, after such acquisition, it would own or control more than 5% of the voting stock of such bank. Pursuant to the Gramm-Leach-Bliley Act (the "GLB Act"), however, Huntington may engage in, or own or control companies that engage in, any activities determined by the Federal Reserve Board to be financial in nature or incidental to activities financial in nature, or complementary to financial activities, provided that such complementary activities do not pose a substantial risk to the safety or soundness of depository institutions or the financial system generally. The GLB Act designated various lending, advisory, insurance underwriting, securities underwriting, dealing and market-making, and merchant banking activities (as well as those



activities previously approved for bank holding companies by the Federal Reserve Board) as financial in nature, and authorized the Federal Reserve Board, in coordination with the Comptroller of the Currency, to determine that additional activities are financial in nature or incidental to activities that are financial in nature. Except for the acquisition of a savings association, Huntington may commence any new financial activity with only subsequent 30-day notice to the Federal Reserve Board.

Huntington's national bank subsidiary is subject to examination and supervision by the Office of the Comptroller of the Currency ("OCC"). Its deposits are insured by the Bank Insurance Fund ("BIF") of the Federal Deposit Insurance Corporation ("FDIC") although certain deposits were acquired from savings associations and are insured by the Savings Association Insurance Fund ("SAIF") of the FDIC. Huntington's nonbank subsidiaries are also subject to examination and supervision by the Federal Reserve Board (or, in the case of nonbank subsidiaries of the national bank subsidiary, by OCC), and examination by other federal and state agencies, including, in the case of certain securities activities, regulation by the Securities and Exchange Commission.

In addition to the impact of federal and state regulation, the bank and nonbank subsidiaries of Huntington are affected significantly by the actions of the Federal Reserve Board as it attempts to control the money supply and credit availability in order to influence the economy.

HOLDING COMPANY STRUCTURE

Huntington's depository institution subsidiary is subject to affiliate transaction restrictions under federal law which limit the transfer of funds by the subsidiary bank to the parent and any nonbank subsidiaries of the parent, whether in the form of loans, extensions of credit, investments, or asset purchases. Such transfers by a subsidiary bank to its parent corporation or to any individual nonbank subsidiary of the parent are limited in amount to 10% of the subsidiary bank's capital and surplus and, with respect to such parent together with all such nonbank subsidiaries of the parent, to an aggregate of 20% of the subsidiary bank's capital and surplus. Furthermore, such loans and extensions of credit are required to be secured in specified amounts. In addition, all affiliate transactions must be conducted on terms and under

circumstances that are substantially the same as such transactions with unaffiliated entities. Under applicable regulations, at December 31, 2000, approximately $285.8 million was available for loans to Huntington from its subsidiary bank.

The Federal Reserve Board has a policy to the effect that a bank holding company is expected to act as a source of financial and managerial strength to each of its subsidiary banks and to commit resources to support each such subsidiary bank. Under the source of strength doctrine, the Federal Reserve Board may require a bank holding company to make capital injections into a troubled subsidiary bank, and may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to such a subsidiary bank. This capital injection may be required at times when Huntington may not have the resources to provide it. Any loans by a holding company to its subsidiary banks are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. Moreover, in the event of a bank holding company's bankruptcy, any commitment by such holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and entitled to a priority of payment.

Federal law permits the OCC to order the pro rata assessment of shareholders of a national bank whose capital stock has become impaired, by losses or otherwise, to relieve a deficiency in such national bank's capital stock. This statute also provides for the enforcement of any such pro rata assessment of shareholders of such national bank to cover such impairment of capital stock by sale, to the extent necessary, of the capital stock of any assessed shareholder failing to pay the assessment. Huntington, as the sole shareholder of its subsidiary bank, is subject to such provisions. Moreover, the claims of a receiver of an insured depository institution for administrative expenses and the claims of holders of deposit liabilities of such an institution are accorded priority over the claims of general unsecured creditors of such an institution, including the holders of the institution's note obligations, in the event of a liquidation or other resolution of such institution. Claims of a receiver for administrative expenses and claims of holders of deposit liabilities of Huntington's depository subsidiary (including the FDIC, as the subrogee of such holders) would receive priority over the holders of notes and other senior debt of such subsidiary in the event of a liquidation or other resolution and over the interests of Huntington as sole shareholder of its subsidiary.

DIVIDEND RESTRICTIONS

Dividends from its subsidiary bank are a significant source of funds for payment of dividends to Huntington's shareholders. In the year ended December 31, 2000, Huntington declared cash dividends to its shareholders of approximately $189.2 million. There are, however, statutory limits on the amount of dividends that Huntington's depository institution subsidiary can pay to Huntington without regulatory approval.

Huntington's subsidiary bank may not, without prior regulatory approval, pay a dividend in an amount greater than such bank's undivided profits. In addition, the prior approval of the OCC is required for the payment of a



dividend by a national bank if the total of all dividends declared by the bank in a calendar year would exceed the total of its net income for the year combined with its retained net income for the two preceding years. Under these provisions and in accordance with the above-described formula, Huntington's subsidiary bank could, without regulatory approval, declare dividends to Huntington in 2001 of approximately $278.9 million plus an additional amount equal to its net profits during 2001.

If, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice (which, depending on the financial condition of the bank, could include the payment of dividends), such authority may require, after notice and hearing, that such bank cease and desist from such practice. The Federal Reserve Board and the OCC have issued policy statements that provide that insured banks and bank holding companies should generally only pay dividends out of current operating earnings.

FDIC INSURANCE

Under current FDIC practices, Huntington's bank subsidiary will not be required to pay deposit insurance premiums during 2001.

CAPITAL REQUIREMENTS

The Federal Reserve Board has issued risk-based capital ratio and leverage ratio guidelines for bank holding companies such as Huntington. The risk-based capital ratio guidelines establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposures into explicit account in assessing capital adequacy, and minimizes disincentives to holding liquid, low-risk assets. Under the guidelines and related policies, bank holding companies must maintain capital sufficient to meet both a risk-based asset ratio test and a leverage ratio test on a consolidated basis. The risk-based ratio is

determined by allocating assets and specified off-balance sheet commitments into four weighted categories, with higher weighting being assigned to categories perceived as representing greater risk. A bank holding company's capital (as described below) is then divided by total risk weighted assets to yield the risk-based ratio. The leverage ratio is determined by relating core capital (as described below) to total assets adjusted as specified in the guidelines. Huntington's subsidiary bank is subject to substantially similar capital requirements.

Generally, under the applicable guidelines, a financial institution's capital is divided into two tiers. Institutions that must incorporate market risk exposure into their risk-based capital requirements may also have a third tier of capital in the form of restricted short-term subordinated debt. "Tier 1", or core capital, includes common equity, noncumulative perpetual preferred stock (excluding auction rate issues), and minority interests in equity accounts of consolidated subsidiaries, less goodwill and, with certain limited exceptions, all other intangible assets. Bank holding companies, however, may include cumulative preferred stock in their Tier 1 capital, up to a limit of 25% of such Tier 1 capital. "Tier 2", or supplementary capital, includes, among other things, cumulative and limited-life preferred stock, hybrid capital instruments, mandatory convertible securities, qualifying subordinated debt, and the allowance for loan and lease losses, subject to certain limitations. "Total capital" is the sum of Tier 1 and Tier 2 capital. The Federal Reserve Board and the other federal banking regulators require that all intangible assets, with certain limited exceptions, be deducted from Tier 1 capital. Under the Federal Reserve Board's rules the only types of intangible assets that may be included in (i.e., not deducted from) a bank holding company's capital are originated or purchased mortgage servicing rights, non-mortgage servicing assets, and purchased credit card relationships, provided that, in the aggregate, the total amount of these items included in capital does not exceed 100% of Tier 1 capital.

Under the risk-based guidelines, financial institutions are required to maintain a risk-based ratio (total capital to risk-weighted assets) of 8%, of which 4% must be Tier 1 capital. The appropriate regulatory authority may set higher capital requirements when an institution's circumstances warrant.

Under the leverage guidelines, financial institutions are required to maintain a leverage ratio (Tier 1 capital to adjusted total assets, as specified in the guidelines) of at least 3%. The 3% minimum ratio is applicable only to financial institutions that meet certain specified criteria, including excellent asset quality, high liquidity, low interest rate exposure, and the highest regulatory rating. Financial institutions not meeting these criteria are required to maintain a leverage ratio that exceeds 3% by a cushion of at least 100 to 200 basis points.

Failure to meet applicable capital guidelines could subject the financial institution to a variety of enforcement remedies available to the federal regulatory authorities including limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital, and the termination of deposit insurance by the FDIC, as well as to the measures described below under "Federal Deposit Insurance Corporation Improvement Act of 1991" as applicable to undercapitalized institutions.



As of December 31, 2000, the Tier 1 risk-based capital ratio, total risk-based capital ratio, and Tier 1 leverage ratio for Huntington were as follows:

| | Actual |
|---|---|
| Tier 1 | 7.19% |
| Total Risk-Based | 10.46% |
| Tier 1 Leverage | 6.93% |

As of December 31, 2000, Huntington's bank subsidiary also had capital in excess of the minimum requirements.

The risk-based capital standards of the Federal Reserve Board, the OCC, and the FDIC specify that evaluations by the banking agencies of a bank's capital adequacy will include an assessment of the exposure to declines in the economic value of the bank's capital due to changes in interest rates. These banking agencies issued a joint policy statement on interest rate risk describing prudent methods for monitoring such risk that rely principally on internal measures of exposure and active oversight of risk management activities by senior management.

## PROMPT CORRECTIVE ACTION

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") requires federal banking regulatory authorities to take "prompt corrective action" with respect to depository institutions that do not meet minimum capital requirements. For these purposes, FDICIA establishes five capital tiers: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

An institution is deemed to be "well capitalized" if it has a total

risk-based capital ratio of 10% or greater, a Tier 1 risk-based capital ratio of 6% or greater, and a Tier 1 leverage ratio of 5% or greater and is not subject to a regulatory order, agreement, or directive to meet and maintain a specific capital level for any capital measure. An institution is deemed to be "adequately capitalized" if it has a total risk-based capital ratio of 8% or greater, a Tier 1 risk-based capital ratio of 4% or greater, and, generally, a Tier 1 leverage ratio of 4% or greater and the institution does not meet the definition of a "well capitalized" institution. An institution that does not meet one or more of the "adequately capitalized" tests is deemed to be "undercapitalized". If the institution has a total risk-based capital ratio that is less than 6%, a Tier 1 risk-based capital ratio that is less than 3%, or a Tier 1 leverage ratio that is less than 3%, it is deemed to be "significantly undercapitalized". Finally, an institution is deemed to be "critically undercapitalized" if it has a ratio of tangible equity (as defined in the regulations) to total assets that is equal to or less than 2%.

FDICIA generally prohibits a depository institution from making any capital distribution (including payment of a cash dividend) or paying any management fee to its holding company if the depository institution would thereafter be undercapitalized. Undercapitalized institutions are subject to growth limitations and are required to submit a capital restoration plan. If any depository institution subsidiary of a holding company is required to submit a capital restoration plan, the holding company would be required to provide a limited guarantee regarding compliance with the plan as a condition of approval of such plan by the appropriate federal banking agency. If an undercapitalized institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized. Significantly undercapitalized institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets, and cessation of receipt of deposits from correspondent banks. Critically undercapitalized institutions may not, beginning 60 days after becoming critically undercapitalized, make any payment of principal or interest on their subordinated debt. In addition, critically undercapitalized institutions are subject to appointment of a receiver or conservator within 90 days of becoming critically undercapitalized.

Under FDICIA, a depository institution that is not well capitalized is generally prohibited from accepting brokered deposits and offering interest rates on deposits higher than the prevailing rate in its market. Huntington expects that the FDIC's brokered deposit rule will not adversely affect the ability of its depository institution subsidiary to accept brokered deposits. Under the regulatory definition of brokered deposits, Huntington's depository subsidiary had $256.1 million of brokered deposits at December 31, 2000.



GRAMM-LEACH-BLILEY ACT OF 1999

The United States Congress in 1999 enacted major financial services modernization legislation, known as the "Gramm-Leach-Bliley Act of 1999" ("GLBA"), which was signed into law on November 12, 1999. Under GLBA, banks are no longer prohibited by the Glass-Steagall Act from associating with, or having management interlocks with, a business organization engaged principally in securities activities. By qualifying as a new entity known as a "financial holding company", a bank holding company may acquire new powers not otherwise available to it. In order to qualify, a bank holding company's depository subsidiaries must all be both well capitalized and well managed, and must be meeting their Community Reinvestment Act obligations. The bank holding company must also declare its intention to become a financial holding company to the Federal Reserve Board and certify that its depository subsidiaries meet the capitalization and management requirements.

The repeal of the Glass-Steagall Act and the availability of new powers both became effective on March 11, 2000. Financial holding company powers relate to "financial activities" that are determined by the Federal Reserve Board, in coordination with the Secretary of the Treasury, to be financial in nature, incidental to an activity that is financial in nature, or complementary to a financial activity (provided that the complementary activity does not pose a safety and soundness risk). The statute itself defines certain activities as financial in nature, including but not limited to underwriting insurance or annuities; providing financial or investment advice; underwriting, dealing in, or making markets in securities; merchant banking, subject to significant limitations; insurance company portfolio investing, subject to significant limitations; and any activities previously found by the Federal Reserve Board to be closely related to banking.

National and state banks are permitted under GLBA (subject to capital, management, size, debt rating, and Community Reinvestment Act qualification factors) to have "financial subsidiaries" that are permitted to engage in financial activities not otherwise permissible. However, unlike financial holding companies, financial subsidiaries may not engage in insurance or annuity underwriting; developing or investing in real estate; merchant banking (for at least five years); or insurance company portfolio investing. Other provisions of GLBA establish a system of functional regulation for financial holding companies and banks involving the Securities and Exchange Commission, the Commodity Futures Trading Commission, and state securities and insurance regulators; deal with bank insurance sales and title insurance activities in relation to state insurance regulation; prescribe consumer protection standards for insurance

sales; and establish minimum federal standards of privacy to protect the confidentiality of the personal financial information of consumers and regulate its use by financial institutions. Federal bank regulatory agencies issued a variety of proposed, interim, and final rules during the year 2000 for the implementation of GLBA.

GUIDE 3 INFORMATION

Information required by Industry Guide 3 relating to statistical disclosure by bank holding companies is set forth in Items 7 and 8.

ITEM 2: PROPERTIES

The headquarters of Huntington and its lead subsidiary, The Huntington National Bank, are located in the Huntington Center, a thirty-seven story office building located in Columbus, Ohio. Of the building's total office space available, Huntington leases approximately 39 percent. The lease term expires in 2015, with nine five-year renewal options for up to 45 years but with no purchase option. The Huntington National Bank has an equity interest in the entity that owns the building. Huntington's other major properties consist of a thirteen-story and a twelve-story office building, both of which are located adjacent to the Huntington Center; a twenty-one story office building, known as the Huntington Building, located in Cleveland, Ohio; an eighteen-story office building in Charleston, West Virginia; a three-story office building located in Holland, Michigan; an office building in Lakeland, Florida; an eleven-story office building in Sarasota, Florida, a 470,000 square foot Business Service Center which serves as Huntington's primary operations and data center; The Huntington Mortgage Company's building, located in the greater Columbus area; an office complex located in Troy, Michigan; and two data processing and operations centers located in Ohio. Of these properties, Huntington owns the thirteen-story and twelve-story office buildings, and the Business Service Center. All of the other major properties are held under long-term leases.

In 1998, Huntington entered into a sale/leaseback agreement that included the sale of 59 properties. The transaction included a mix of branch banking offices, regional offices, and operational facilities, including certain properties described above, which Huntington will continue to operate under a long-term lease.



ITEM 3: LEGAL PROCEEDINGS

Information required by this item is set forth in Item 8 in Note 15 of Notes to Consolidated Financial Statements on page 44.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable.

Part II

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The common stock of Huntington Bancshares Incorporated is traded on the NASDAQ Stock National Market System under the symbol "HBAN". The stock is listed as "HuntgBcshr" or "HuntBanc" in most newspapers. As of January 31, 2001, Huntington had 32,374 shareholders of record.

Information regarding the high and low sale prices of Huntington Common Stock and cash dividends declared on such shares, as required by this item, is set forth in a table entitled "Market Prices, Key Ratios, and Statistics (Quarterly Data)" on page 25 in Item 7. Information regarding restrictions on dividends, as required by this item, is set forth in Item 1 "Business-Regulatory Matters-Dividend Restrictions" above and in Item 8 in Notes 9 and 17 of Notes to Consolidated Financial Statements on pages 39 and 46, respectively.

ITEM 6: SELECTED FINANCIAL DATA

Information required by this item is set forth in Item 7 in Table 1 on page 9.



ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

Huntington Bancshares Incorporated (Huntington) is a multi-state financial holding company headquartered in Columbus, Ohio. Its subsidiaries are engaged in full-service commercial and consumer banking, mortgage banking, lease financing,

trust services, discount brokerage services, underwriting credit life and disability insurance, issuing commercial paper guaranteed by Huntington, and selling other insurance and financial products and services. Huntington's subsidiaries operate domestically in offices located in Ohio, Michigan, Florida, West Virginia, Indiana, and Kentucky. Huntington has foreign offices in the Cayman Islands and Hong Kong.

FORWARD-LOOKING STATEMENTS

This report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements about Huntington, including descriptions of products or services, plans or objectives of its management for future operations, and forecasts of its revenues, earnings, or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts.

By their nature, forward-looking statements are subject to numerous assumptions, risks, and uncertainties. A number of factors--many of which are beyond Huntington's control--could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements. These factors include, but are not limited to, changes in business and economic conditions; movements in interest rates; competitive pressures on product pricing and services; success and timing of business strategies; successful integration of acquired businesses; the nature, extent, and timing of governmental actions and reforms; and extended disruption of vital infrastructure.

Forward-looking statements speak only as of the date they are made. Huntington does not update forward-looking statements to reflect circumstances or events that occur after the date this report is filed with the Securities and Exchange Commission.

The management of Huntington encourages readers of this report to understand forward-looking statements to be strategic objectives rather than absolute targets of future performance. The following discussion and analysis of the financial performance of Huntington should be read in conjunction with the financial statements, notes, and other information contained in this document.

ACQUISITIONS

Huntington acquired Empire Banc Corporation (Empire), a $506 million one-bank holding company headquartered in Traverse City, Michigan, on June 23, 2000. Huntington reissued approximately 6.5 million shares of common stock, all of which were purchased on the open market during the first quarter of 2000, in exchange for all of the common stock of Empire. Total loans and deposits increased $395 million and $435 million, respectively, at the date of the merger. Additionally, Huntington acquired J. Rolfe Davis Insurance Agency, Inc. (JRD), headquartered in Maitland, Florida, on August 31, 2000. Huntington paid $8.2 million in cash and issued approximately 695,000 shares of common stock for all of the common stock of JRD. Both transactions were accounted for as purchases; accordingly, the results of Empire and JRD have been included in Huntington's consolidated financial statements from the respective dates of acquisition.

OVERVIEW

Huntington reported net income of $328.4 million, or $1.32 per share, in 2000, compared with $422.1 million, or $1.65 per share, in 1999, and $301.8 million, or $1.17 per share, in 1998. These results included after-tax special charges of $32.5 million, $62.9 million, and $60.3 million, respectively. Excluding these items and a $70.6 million after-tax gain in 1999 on the sale of Huntington's credit card portfolio, operating earnings for 2000 were $360.9 million, or $1.45 per share versus $414.4 million, or $1.62 per share, and $362.1 million, or $1.40 per share, in 1999 and 1998, respectively. Per share amounts for all prior periods have been restated to reflect the ten-percent stock dividend distributed to shareholders in July 2000. On an operating basis, return on average assets (ROA) was 1.26% in 2000, 1.44% in 1999 and 1.35% in 1998. Return on average equity (ROE) totaled 15.84% for the recent twelve months, compared with 19.31% and 17.54% in the two preceding years.



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TABLE 1 CONSOLIDATED SELECTED FINANCIAL DATA

| | YEAR ENDED DECEMBER 31, | | | | | |
|---|---|---|---|---|---|---|
| (in thousands of dollars, except per share amounts) | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| SUMMARY OF OPERATIONS | | | | | | |
| Total interest income | $ 2,108,505 | $ 2,026,002 | $ 1,999,364 | $ 1,981,473 | $ 1,775,734 | $ 1,709,627 |
| Total interest expense | 1,166,073 | 984,240 | 978,271 | 954,243 | 880,648 | 856,860 |
| Net interest income | 942,432 | 1,041,762 | 1,021,093 | 1,027,230 | 895,086 | 852,767 |
| Securities gains | 37,101 | 12,972 | 29,793 | 7,978 | 17,620 | 9,380 |
| Gains on sale of credit card portfolios | -- | 108,530 | 9,530 | -- | -- | -- |
| Provision for loan losses | 90,479 | 88,447 | 105,242 | 107,797 | 76,371 | 36,712 |
| Net income | 328,446 | 422,074 | 301,768 | 292,663 | 304,269 | 281,801 |
| Operating net income (1) | 360,946 | 414,444 | 362,068 | 338,897 | 304,269 | 281,801 |
| PER COMMON SHARE (2) | | | | | | |
| Net income | | | | | | |
| Basic | 1.32 | 1.66 | 1.18 | 1.15 | 1.19 | 1.07 |
| Diluted | 1.32 | 1.65 | 1.17 | 1.14 | 1.18 | 1.06 |
| Diluted--Operating (1) | 1.45 | 1.62 | 1.40 | 1.32 | 1.18 | 1.06 |
| Cash dividends declared | 0.76 | 0.68 | 0.62 | 0.56 | 0.51 | 0.46 |
| Book value at year-end | 9.43 | 8.67 | 8.43 | 7.94 | 7.11 | 6.90 |
| BALANCE SHEET HIGHLIGHTS | | | | | | |
| Total assets at year-end | 28,599,377 | 29,036,953 | 28,296,336 | 26,730,540 | 24,371,946 | 23,495,337 |
| Total long-term debt at year-end | 870,976 | 697,677 | 707,359 | 498,889 | 550,531 | 517,202 |
| Average long-term debt | 823,555 | 702,974 | 620,688 | 526,379 | 515,664 | 529,140 |
| Average shareholders' equity | 2,279,230 | 2,146,735 | 2,064,241 | 1,893,788 | 1,776,151 | 1,742,826 |
| Average total assets | $28,720,508 | $28,739,450 | $26,891,558 | $25,150,659 | $23,374,490 | $22,098,785 |

| KEY RATIOS AND STATISTICS | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---|---|---|---|---|---|---|
| MARGIN ANALYSIS--AS A% OF AVERAGE EARNING ASSETS (3) | | | | | | |
| Interest Income | 8.31% | 7.97% | 8.33% | 8.52% | 8.26% | 8.43% |
| Interest Expense | 4.58 | 3.86 | 4.05 | 4.08 | 4.07 | 4.19 |
| NET INTEREST MARGIN | 3.73% | 4.11% | 4.28% | 4.44% | 4.19% | 4.24% |
| RETURN ON | | | | | | |
| Average total assets | 1.14% | 1.47% | 1.12% | 1.16% | 1.30% | 1.28% |
| Average total assets--Operating (1) | 1.26 | 1.44 | 1.35 | 1.35 | 1.30 | 1.28 |
| Average shareholders' equity | 14.41 | 19.66 | 14.62 | 15.44 | 17.13 | 16.17 |
| Average shareholders' equity--Operating (1) | 15.84 | 19.31 | 17.54 | 17.88 | 17.13 | 16.17 |
| Dividend payout ratio | 57.55 | 41.53 | 53.15 | 49.67 | 42.22 | 43.82 |
| Average shareholders' equity to average total assets | 7.94 | 7.47 | 7.68 | 7.53 | 7.60 | 7.89 |
| Tier I risk-based capital ratio | 7.19 | 7.52 | 7.10 | 8.83 | 8.11 | 8.66 |
| Total risk-based capital ratio | 10.46 | 10.72 | 10.73 | 11.68 | 11.29 | 12.01 |
| Tier I leverage ratio | 6.93% | 6.72% | 6.37% | 7.77% | 6.80% | 6.99% |

| OTHER DATA | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---|---|---|---|---|---|---|
| Full-time equivalent employees | 9,693 | 9,516 | 10,159 | 9,485 | 9,467 | 9,083 |
| Banking offices | 510 | 517 | 531 | 454 | 429 | 406 |

(1) Excludes special charges and 1999 gain from the sale of Huntington's credit card portfolio, net of related taxes.
(2) Adjusted for stock splits and stock dividends, as applicable.
(3) Presented on a fully tax equivalent basis assuming a 35% tax rate.
</TABLE>



Cash basis operating earnings (which exclude the effect of amortization of goodwill and other intangibles) were $1.57 per share for 2000 versus $1.74 per share and $1.49 per share for 1999 and 1998, respectively. Cash basis ROA and ROE, which are computed using cash basis operating earnings as a percentage of average tangible assets and average tangible equity, were 1.40% and 24.97% in 2000. On this same basis, ROA was 1.58% and 1.45%, respectively, in 1999 and 1998 and ROE was 30.30% and 24.35%.

Total assets were $28.6 billion at December 31, 2000, down from $29.0 billion at the end of last year. Assets were lower, as Huntington repositioned its balance sheet in 2000. These actions included automobile loan securitizations of $1.4 billion and the sale of approximately $1.7 billion of lower-yielding fixed-income securities from Huntington's investment portfolio.

Managed total loans, which include securitized loans, increased 9% from last year, after adjusting for the impact of the Empire acquisition and the fourth quarter 1999 sale of Huntington's credit card portfolio. Managed consumer loans grew 13%, driven by automobile financing and home equity lending, which grew 17% and 21%, respectively. Commercial loans increased 4% from a year ago.

Core deposits totaled $18.6 billion during 2000 and were essentially unchanged from the levels reported last year. When combined with other core funding sources, core deposits provide 79% of Huntington's funding needs.

Short and medium-term borrowings declined from a year ago due to the balance sheet efficiency program referenced above. Long-term debt increased over last year as Huntington issued $150 million of regulatory capital qualifying subordinated notes in the first quarter of 2000 through its bank subsidiary.

TABLE 2 LOAN PORTFOLIO COMPOSITION

| | DECEMBER 31, | | | | |
|---|---|---|---|---|---|
| (in millions of dollars) | 2000 | 1999 | 1998 | 1997 | 1996 |
| Commercial | $ 6,634 | $ 6,300 | $ 6,027 | $ 5,271 | $ 5,130 |
| Real Estate | | | | | |
| Construction | 1,319 | 1,237 | 919 | 864 | 699 |
| Commercial | 2,253 | 2,151 | 2,232 | 2,237 | 2,137 |
| Consumer | | | | | |
| Loans | 6,388 | 6,793 | 6,958 | 6,463 | 6,123 |
| Lease financing | 3,069 | 2,742 | 1,911 | 1,542 | 1,183 |
| Residential Mortgage | 947 | 1,445 | 1,408 | 1,361 | 1,486 |
| TOTAL LOANS | $20,610 | $20,668 | $19,455 | $17,738 | $16,758 |

Note: There are no loans outstanding which would be considered a concentration of lending in any particular industry or group of industries.

TABLE 3 MATURITY SCHEDULE OF SELECTED LOANS

| (in millions of dollars) | DECEMBER 31, 2000 | | | |
|---|---|---|---|---|
| | Within One Year | After One But Within Five Years | After Five Years | Total |
| Commercial | $3,783 | $1,956 | $ 895 | $6,634 |
| Real estate - construction | 690 | 426 | 203 | 1,319 |
| TOTAL | $4,473 | $2,382 | $1,098 | $7,953 |
| Variable interest rates | | $1,447 | $ 731 | |

| | | |
|---|---|---|
| Fixed interest rates | 935 | 367 |
| TOTAL | $2,382 | $1,098 |

Note: Loan balances above are net of unearned income and there are no loans outstanding which would be a concentration of lending in any particular industry or group of industries.



LINES OF BUSINESS

Retail Banking, Corporate Banking, Dealer Sales, and the Private Financial Group are the company's major business lines. A fifth segment includes the impact of Huntington's Treasury function and other unallocated assets, liabilities, revenue, and expense. Line of business results are determined based upon Huntington's business profitability reporting system which assigns balance sheet and income statement items to each of the business segments. This process is designed around Huntington's organizational and management structure and, accordingly, the results are not necessarily comparable with similar information published by other financial institutions. Below is a brief description of each line of business and a discussion of the business segment results, which can be found in Note 22 to the Consolidated Financial Statements.

RETAIL BANKING

Retail Banking provides products and services to retail and business banking customers. This business unit's products include home equity loans, first mortgage loans, installment loans, business loans, personal and business deposit products, as well as investment and insurance services. These products and services are offered through Huntington's traditional banking network, in-store branches, Direct Bank, and Web Bank.

Retail Banking net income totaled $164.6 million in 2000 compared with $170.8 million in 1999 and $168.9 million in 1998. Excluding the revenue and expenses related to the credit card portfolio that was sold in last year's fourth quarter, the 1999 and 1998 earnings were $155.5 million and $153.0 million, respectively. On this basis, Retail's net income increased 6% from 1999. This increase was achieved despite a decline in net interest income due to higher deposit costs and a $3.3 million increase in the provision for loan losses. Non-interest income for the year was relatively unchanged versus 1999, as a 3% increase in service charges and a 17% increase in electronic banking fees was offset by a significant decline in mortgage banking revenue. Mortgage loan originations were adversely impacted by higher market interest rates throughout much of 2000. Non-interest expense improved 2% from last year. The Retail segment contributed 46% of Huntington's 2000 operating earnings and comprised 30% of its total loan portfolio and 84% of its total core deposits.

CORPORATE BANKING

This segment represents the middle-market and large corporate banking customers, which use a variety of products and services including, but not limited to, commercial loans, asset-based financing, international trade, and cash management. Huntington's capital markets division also provides alternative financing solutions for larger business clients, including privately placed debt, syndicated commercial lending, and the sale of interest rate protection products.

Corporate Banking reported net income of $136.1 million for 2000 versus $131.6 million and $115.3 million for the previous two years. Net interest income increased 5% in 2000 driven by loan growth. The 6% increase in non-interest income was due in large part to increases in service charges. Non-interest expenses increased 13% in 2000 due to investments in personnel and technology to support revenue growth initiatives. Corporate Banking contributed 38% of Huntington's 2000 operating earnings, and represented 36% of the total loan portfolio and 12% of its total core deposits.

DEALER SALES

Dealer Sales product offerings pertain to the automobile lending sector and include floor plan financing, as well as indirect consumer loans and leases. The consumer activities comprise the vast majority of the business and involve the financing of vehicles purchased or leased by individuals through dealerships.

Net income for this segment totaled $50.4 million, $38.6 million, and $53.5 million in each of the last three years. Dealer Sales' results reflect the impact of after-tax charges of $32.5 million in 2000 and $37.8 million in 1999 to write-down vehicle lease residual values. Excluding these charges, net income was $82.9 million for 2000, compared with $76.6 million for 1999, and $53.5 million for 1998. Net-interest income was relatively unchanged due to $1.4 billion of loan securitization activity in the recent year. The increase from 1999 in the provision for loan losses of $10.1 million reflects higher net charge-offs of .72%, versus .59% in 1999 and .82% in 1998. Non-interest income improved $21.8 million including $17.1 million of revenue from the securitizations completed in 2000. Dealer Sales comprised 23% of Huntington's operating earnings in 2000 and 30% of its outstanding loans.

PRIVATE FINANCIAL GROUP

Huntington's Private Financial Group (PFG) provides an array of products and services including personal trust, asset management, investment advisory, insurance, and deposit and loan products. The PFG business line is designed to provide higher wealth customers with "one-stop shopping" for all their financial needs.



PFG reported net income of $26.0 million, $25.8 million, and $13.8 million in 2000, 1999, and 1998, respectively. Non-interest income increased in the recent twelve months due to higher trust and brokerage and insurance income aided in part by the acquisition of JRD. Related increases in sales commissions contributed to higher non-interest expense and reflect the impact of JRD as well. This segment represented 7% of Huntington's 2000 operating earnings and 3% of total loans.

TREASURY/OTHER

Huntington uses a match-funded transfer pricing system to allocate interest income and interest expense to its business segments. This approach consolidates the interest rate risk management of Huntington into its Treasury Group. As part of its overall interest rate risk and liquidity management strategy, the Treasury Group administers an investment portfolio of approximately $4.1 billion. Revenue and expense associated with these activities remain within the Treasury Group. Additionally, the Treasury/Other segment absorbs unassigned assets, liabilities, equity, revenue, and expense that cannot be directly assigned or allocated to one of Huntington's lines of business. Amortization expense of intangible assets is a significant component of Treasury/Other.

Treasury/Other segment results include special charges of $38.6 million in 1999 and $90.0 million in 1998. The 1999 results also include the gain from the credit card sale of $108.5 million. On an operating basis, this segment reported a loss of $48.7 million for 2000, versus net income of $9.6 million in 1999, and $10.5 million in 1998. The decline relates to lower net interest income resulting from rising market interest rates and the balance sheet efficiency program mentioned earlier. As more fully discussed later, the sensitivity of net interest income to changing interest rates is down from previous years, consistent with Huntington's goal of a more stable revenue base. Non-interest income includes securities gains realized in 2000 from the sale of equity investments, offset by losses recognized from the sale of lower-yielding investment securities and the first quarter 2000 automobile loan securitization.

<TABLE>
<CAPTION>

TABLE 4 CHANGE IN NET INTEREST INCOME DUE TO CHANGES IN AVERAGE VOLUME AND INTEREST RATES (1)

| | 2000 | | | 1999 | | |
|---|---|---|---|---|---|---|
| | Increase (Decrease) From Previous Year Due To: | | | Increase (Decrease) From Previous Year Due To: | | |
| Fully Tax Equivalent Basis (2) (in millions of dollars) | Volume | Yield/ Rate | Total | Volume | Yield/ Rate | Total |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Interest bearing deposits in banks | $ (0.1) | $ --- | $ (0.1) | $ (0.1) | $ (0.5) | $ (0.6) |
| Trading account securities | 0.1 | 0.2 | 0.3 | 0.1 | 0.1 | 0.2 |
| Federal funds sold and securities purchased under resale agreements | 4.1 | 0.2 | 4.3 | (11.3) | (0.4) | (11.7) |
| Mortgages held for sale | (9.6) | 2.0 | (7.6) | (4.0) | 0.1 | (3.9) |
| Taxable securities | (35.4) | 7.9 | (27.5) | (0.7) | (11.1) | (11.8) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Tax-exempt securities | (1.9) | (0.8) | (2.7) | 4.1 | (2.5) | 1.6 |
| Total loans | 49.8 | 64.9 | 114.7 | 142.7 | (90.8) | 51.9 |
| TOTAL EARNING ASSETS | 7.0 | 74.4 | 81.4 | 130.8 | (105.1) | 25.7 |
| | | | | | | |
| Interest bearing demand deposits | 5.2 | 32.3 | 37.5 | 13.4 | (3.3) | 10.1 |
| Savings deposits | (6.2) | 26.6 | 20.4 | 15.7 | (3.7) | 12.0 |
| Certificates of deposit | 5.3 | 44.8 | 50.1 | (38.0) | (31.9) | (69.9) |
| Other domestic time deposits | 16.4 | 2.7 | 19.1 | 3.1 | (0.8) | 2.3 |
| Foreign time deposits | 10.4 | 5.0 | 15.4 | 13.4 | (0.7) | 12.7 |
| Short-term borrowings | (29.4) | 28.2 | (1.2) | 21.0 | (4.4) | 16.6 |
| Medium-term notes | (13.1) | 32.4 | 19.3 | 12.1 | (6.7) | 5.4 |
| Subordinated notes and other long-term debt, including capital securities | 7.8 | 13.5 | 21.3 | 6.9 | 9.8 | 16.7 |
| TOTAL INTEREST BEARING LIABILITIES | (3.6) | 185.5 | 181.9 | 47.6 | (41.7) | 5.9 |
| NET INTEREST INCOME | $ 10.6 | $ (111.1) | $ (100.5) | $ 83.2 | $ (63.4) | $ 19.8 |

</TABLE>

(1) The change in interest rates due to both rate and volume has been allocated between the factors in proportion of the relationship of the absolute dollar amounts of the change in each.

(2) Calculated assuming a 35% tax rate.



RESULTS OF OPERATIONS

NET INTEREST INCOME

Net interest income was $942.4 million in 2000, versus $1,041.8 million in 1999, and $1,021.1 million in 1998. The net interest margin, on a fully tax equivalent basis, was 3.73% during the recent year, compared with 4.11% and 4.28% during each of the last two years. Higher funding costs due to rising interest rates and changes in the mix of Huntington's core deposit base were the primary driver of these declines. Funding costs increased 84 basis points from 1999 while the yield on earning assets was up only 34 basis points. Core deposit costs increased 67 basis points, as the mix shifted to higher-rate accounts during the year. This migration accelerated in 2000 following the introduction of new products designed to improve customer retention in the intensely competitive market for retail deposits. To a lesser degree, the reduction in net interest income and the margin also reflects the impact of the fourth quarter 1999 credit card sale and the automobile loan securitizations in 2000. Huntington's interest rate risk position is further discussed in the "Interest Rate Risk Management" section of this report.

PROVISION AND ALLOWANCE FOR LOAN LOSSES

The provision for loan losses is the charge to pre-tax earnings necessary to maintain the allowance for loan losses (ALL) at a level adequate to absorb management's estimate of inherent losses in the loan portfolio. The provision for loan losses was $90.5 million in 2000 versus $88.4 million and $105.2 million in the past two years.

<TABLE>
<CAPTION>

TABLE 5 SUMMARY OF ALLOWANCE FOR LOAN LOSSES AND SELECTED STATISTICS

| (in thousands of dollars) | 2000 | 1999 | 1998 | 1997 | 1996 |
|---|---|---|---|---|---|

| <S> | <C> | <C> | <C> | <C> | <C> |
|---|---|---|---|---|---|
| ALLOWANCE FOR LOAN LOSSES, BEGINNING OF YEAR | $ 299,309 | $ 290,948 | $ 258,171 | $ 230,778 | $ 222,487 |
| LOAN LOSSES | | | | | |
| Commercial | (18,013) | (16,203) | (24,512) | (23,276) | (23,904) |
| Real estate | | | | | |
| Construction | (238) | (638) | (80) | (375) | -- |
| Commercial | (1,522) | (2,399) | (2,115) | (728) | (1,476) |
| Consumer | | | | | |
| Loans | (65,211) | (78,688) | (84,961) | (74,761) | (59,843) |
| Leases | (24,721) | (12,959) | (13,444) | (9,648) | (4,492) |
| Residential Mortgage | (1,140) | (1,404) | (1,243) | (1,935) | (1,292) |
| Total loan losses | (110,845) | (112,291) | (126,355) | (110,723) | (91,007) |
| RECOVERIES OF LOANS PREVIOUSLY CHARGED OFF | | | | | |
| Commercial | 4,201 | 5,303 | 4,546 | 4,373 | 4,884 |
| Real estate | | | | | |
| Construction | 165 | 192 | 441 | 111 | 556 |
| Commercial | 268 | 1,260 | 1,800 | 315 | 1,124 |
| Consumer | | | | | |
| Loans | 19,486 | 22,650 | 23,140 | 16,382 | 13,457 |
| Leases | 3,503 | 2,532 | 1,554 | 1,057 | 721 |
| Residential Mortgage | 133 | 268 | 367 | 304 | 278 |
| Total recoveries | 27,756 | 32,205 | 31,848 | 22,542 | 21,020 |
| NET LOAN LOSSES | (83,089) | (80,086) | (94,507) | (88,181) | (69,987) |
| ALLOWANCE OF SECURITIZED LOANS | (16,719) | -- | -- | -- | -- |
| PROVISION FOR LOAN LOSSES | 90,479 | 88,447 | 105,242 | 107,797 | 76,371 |
| ALLOWANCE ACQUIRED/OTHER | 7,900 | -- | 22,042 | 7,777 | 1,907 |
| ALLOWANCE FOR LOAN LOSSES, END OF YEAR | $ 297,880 | $ 299,309 | $ 290,948 | $ 258,171 | $ 230,778 |
| AS A % OF AVERAGE TOTAL LOANS | | | | | |
| Net loan losses | 0.40% | 0.40% | 0.51% | 0.50% | 0.44% |
| Provision for loan losses | 0.44% | 0.44% | 0.57% | 0.61% | 0.48% |
| Allowance for loan losses as a % of total loans (end of period) | 1.45% | 1.45% | 1.50% | 1.46% | 1.38% |
| Net loan loss coverage (1) | 7.23x | 8.63x | 6.72x | 7.01x | 7.62x |

</TABLE>

(1) Income before income taxes (excluding special charges and gains from sale of credit card portfolios) and the provision for loan losses to net loan losses.



Net charge-offs as a percent of average loans totaled .40% for both 2000 and 1999 and were .51% in 1998. Consistent with broader industry trends, Huntington's charge-offs increased in the second half of 2000 and were .50% in the fourth quarter. Net change offs are expected to be above these recent levels in 2001.

Huntington allocates the ALL to each loan category based on a detailed credit quality review performed periodically on specific commercial loans based on size and relative risk and other relevant factors such as portfolio performance, internal controls, and impacts from mergers and acquisitions. Loss factors are applied on larger, commercial and industrial and commercial real estate credits and represent management's estimate of the inherent loss. The portion of the allowance allocated to homogeneous consumer loans is determined by applying projected loss ratios to various segments of the loan portfolio giving consideration to existing economic conditions and trends.

Projected loss ratios incorporate factors such as trends in past due and non-accrual amounts, recent loan loss experience, current economic conditions, risk characteristics, and concentrations of various loan categories. Actual loss ratios experienced in the future, however, could vary from those projected because a loan's performance depends not only on economic factors but also other factors unique to each customer. The diversity in size of corporate commercial loans can be significant as well and even if the projected number of loans deteriorates, the dollar exposure could significantly vary from estimated amounts. Additionally, the impact on individual customers from recent economic events may yet be known. To ensure adequacy to a higher degree of confidence, a portion of the ALL is considered unallocated. For analytical purposes, the allocation of the ALL is provided in Table 6. While amounts are allocated to various portfolio segments, the total ALL, excluding impairment reserves prescribed under provisions of Statement of Financial Accounting Standard No. 114, is available to absorb losses from any segment of the portfolio.

The ALL was $297.9 million at December 31, 2000, and $299.3 million at year-end 1999, representing 1.45% of total loans at both dates. Non-performing loans were covered by the ALL 3.2 times versus 3.6 times at the end of last year. Additional information regarding the ALL and asset quality appears in the "Credit Risk" section.

TABLE 6 ALLOCATION OF ALLOWANCE FOR LOAN LOSSES

| (in thousands of dollars) | Comm'l | Real Estate Const. | Real Estate Comm'l | Consumer Loans | Consumer Leases | Consumer Residential Mortgage | Unalloc. | Total |
|---|---|---|---|---|---|---|---|---|
| 2000: | | | | | | | | |
| AMOUNT | $ 104,968 | $ 13,442 | $ 33,909 | $ 70,639 | $ 32,951 | $ 3,575 | $ 38,396 | $ 297,880 |
| % OF LOANS TO TOTAL LOANS | 32.2% | 6.4% | 10.9% | 31.0% | 14.9% | 4.6% | -- | 100.0% |
| 1999: | | | | | | | | |
| Amount | $ 94,978 | $ 15,452 | $ 32,073 | $ 78,655 | $ 25,378 | $ 4,804 | $ 47,969 | $ 299,309 |
| % of Loans to Total Loans | 30.5% | 6.0% | 10.4% | 32.9% | 13.3% | 6.9% | -- | 100.0% |
| 1998: | | | | | | | | |
| Amount | $ 82,129 | $ 11,112 | $ 35,206 | $ 104,198 | $ 17,823 | $ 4,864 | $ 35,616 | $ 290,948 |
| % of Loans to Total Loans | 31.0% | 4.7% | 11.5% | 35.8% | 9.8% | 7.2% | -- | 100.0% |
| 1997: | | | | | | | | |
| Amount | $ 86,439 | $ 8,140 | $ 35,051 | $ 75,405 | $ 6,631 | $ 3,547 | $ 42,958 | $ 258,171 |
| % of Loans to Total Loans | 29.7% | 4.9% | 12.6% | 36.4% | 8.7% | 7.7% | -- | 100.0% |
| 1996: | | | | | | | | |
| Amount | $ 113,555 | $ 2,033 | $ 14,698 | $ 54,564 | $ 3,457 | $ 4,289 | $ 38,182 | $ 230,778 |
| % of Loans to Total Loans | 30.6% | 4.2% | 12.8% | 36.5% | 7.1% | 8.8% | -- | 100.0% |

NON-INTEREST INCOME

Non-interest income, excluding gains from investment security and loan sales, was $456.5 million during the recent twelve months, compared with $452.1 million in 1999 and $398.9 million in 1998. Improvements in several key non-interest income categories offset the impact of lower mortgage banking income and the reduced level of credit card fees following the portfolio sale last year. Brokerage and insurance income grew 19% during 2000 due to strong mutual fund and annuity sales, primarily during the first half of the year, and the JRD acquisition. Electronic banking fees grew 18% as a result of higher customer usage of Huntington's check card product and the expansion of Huntington's ATM network. The "Other" component of non-interest revenue includes $6.9 million of income from the automobile loan securitization transactions completed in 2000.

Investment security gains totaled $37.1 million for 2000, compared with $13.0 million a year ago and $29.8 million in 1998. Sales by Huntington of certain equity investments generated gross gains of $66.5 million in 2000



and $31.0 million last year. Substantially offsetting these gains in both years were losses from the sale of lower yielding, fixed-income investment securities.

NON-INTEREST EXPENSE

Non-interest expense, before special charges, was $835.6 million in 2000, compared with $815.3 million and $823.9 million in 1999 and 1998, respectively. Higher facility and equipment costs related to the new operations center, which opened in the fall of 1999, and other expansion-related activities contributed to the growth in expenses in the recent year. Additionally, expenses were higher in the second half of 2000, as Huntington made investments in technology and personnel and acquired Empire and JRD to improve its competitive position and to support revenue growth. Because of the above-mentioned factors, management expects that non-interest expense in 2001 will increase from the 4th quarter level.

SPECIAL CHARGES

Huntington recorded special charges totaling $50.0 million in the recent

year, $96.8 million in 1999, and $90.0 million in 1998. The $50.0 million charge in 2000 and $58.2 million of the 1999 charge represent write-downs of residual values related to Huntington's $3.0 billion vehicle lease portfolio. Of the $108.2 million total charge, $71.4 million remained available at December 31, 2000, to cover estimated losses inherent in the portfolio. Based on management's projections, the remaining amount is adequate to absorb the estimated impairment losses in the portfolio at December 31, 2000. Additionally, Huntington has taken actions, including no longer capitalizing the value of customer-added options, that are expected to mitigate residual value exposure on new business.

The 1999 charge also included $38.6 million related to the company's "Huntington 2000+" program as well as other one-time expenses, which included amounts paid for management consulting and other professional services as well as $11 million for a special cash award to employees for achievement of the program goals for 1999. "Huntington 2000+" was a collaborative effort among all employees to evaluate processes and procedures and the way Huntington conducts its business with a mission of maximizing efficiency through all aspects of the organization. The 1998 charge related to costs for several strategic actions that enhanced profitability, including the sale or closure of underperforming banking offices and the termination of certain business activities.

PROVISION FOR INCOME TAXES

The provision for income taxes was $131.4 million, $192.7 million, and $138.4 million in each of the last three years. Huntington's effective tax rate was 28.6% in 2000 versus approximately 31% in 1999 and 1998. Based on information currently available, Huntington expects its 2001 effective tax rate to remain under 30%.

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<CAPTION>

TABLE 7 INVESTMENT SECURITIES

| (in thousands of dollars) | DECEMBER 31, 2000 | 1999 | 1998 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| U.S. Treasury and Federal Agencies | $ -- | $ -- | $ 156 |
| States and political subdivisions | 16,336 | 18,765 | 24,778 |
| TOTAL INVESTMENT SECURITIES | $ 16,336 | $ 18,765 | $ 24,934 |

AMORTIZED COST AND FAIR VALUES BY MATURITY AT DECEMBER 31, 2000

| (in thousands of dollars) | AMORTIZED COST | FAIR VALUE | YIELD |
|---|---|---|---|
| States and political subdivisions | | | |
| Under 1 year | $ 3,139 | $ 3,115 | 7.95% |
| 1-5 years | 10,536 | 10,578 | 7.66% |
| 6-10 years | 2,193 | 2,234 | 8.34% |
| Over 10 years | 468 | 487 | 8.28% |
| Total | 16,336 | 16,414 | |
| TOTAL INVESTMENT SECURITIES | $ 16,336 | $ 16,414 | |

</TABLE>

Note: Weighted average yields were calculated on the basis of amortized cost and have been adjusted to a fully tax equivalent basis, assuming a 35% tax rate.



INTEREST RATE RISK AND LIQUIDITY MANAGEMENT

INTEREST RATE RISK MANAGEMENT

Huntington seeks to achieve consistent growth in net interest income and net income while managing volatility arising from shifts in interest rates. The Asset and Liability Management Committee (ALCO) oversees financial risk management, establishing broad policies and specific operating limits that govern a variety of financial risks inherent in Huntington's operations, including interest rate, liquidity, counterparty, settlement, and market risks. On

<TABLE>
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TABLE 8 SECURITIES AVAILABLE FOR SALE

DECEMBER 31,

| (in thousands of dollars) | 2000 | 1999 | 1998 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| U.S. Treasury and Federal Agencies | $3,284,031 | $4,165,342 | $4,096,134 |
| Other | 806,494 | 704,861 | 685,281 |
| TOTAL SECURITIES AVAILABLE FOR SALE | $4,090,525 | $4,870,203 | $4,781,415 |

AMORTIZED COST AND FAIR VALUES BY MATURITY AT DECEMBER 31, 2000

| (in thousands of dollars) | AMORTIZED COST | FAIR VALUE | YIELD(1) |
|---|---|---|---|
| U.S. Treasury | | | |
| Under 1 year | $ 1,455 | $ 1,466 | 6.17% |
| 1-5 years | 2,007 | 2,110 | 7.00% |
| 6-10 years | 6,407 | 6,706 | 5.73% |
| Over 10 years | 413 | 446 | 6.25% |
| Total | 10,282 | 10,728 | |
| Federal Agencies | | | |
| Mortgage-backed securities | | | |
| 6-10 years | 22,757 | 22,987 | 6.51% |
| Over 10 years | 1,515,883 | 1,508,914 | 6.56% |
| Total | 1,538,640 | 1,531,901 | |
| Other agencies | | | |
| Under 1 year | 20,000 | 19,913 | 6.62% |
| 1-5 years | 1,029,073 | 1,017,230 | 5.58% |
| 6-10 years | 146,376 | 144,313 | 6.53% |
| Over 10 years | 566,760 | 559,946 | 6.23% |
| Total | 1,762,209 | 1,741,402 | |
| Total U.S. Treasury and Federal Agencies | 3,311,131 | 3,284,031 | |
| Other | | | |
| Under 1 year | 21,098 | 20,826 | 8.77% |
| 1-5 years | 215,978 | 217,453 | 9.57% |
| 6-10 years | 88,872 | 87,415 | 8.13% |
| Over 10 years | 403,730 | 388,731 | 6.55% |
| Marketable equity securities | 87,674 | 92,069 | |
| Total | 817,352 | 806,494 | |
| TOTAL SECURITIES AVAILABLE FOR SALE | $4,128,483 | $4,090,525 | |

</TABLE>

At December 31, 2000, Huntington had no concentrations of securities by a single issuer in excess of 10% of shareholders' equity.

(1) Weighted average yields were calculated on the basis of amortized cost. Marketable equity securities are excluded.



and off-balance sheet strategies and tactics are reviewed and monitored regularly by ALCO to ensure consistency with approved risk tolerances.

Interest rate risk management is a dynamic process, encompassing business flows onto the balance sheet, wholesale investment and funding, and the changing market and business environment. Effective management of interest rate risk begins with appropriately diversified investments and funding sources. To accomplish its overall balance sheet objectives, Huntington regularly accesses a variety of global markets--money, bond, futures, and options--as well as numerous trading exchanges. In addition, dealers in over-the-counter financial instruments provide availability of interest rate swaps as needed.

Measurement and monitoring of interest rate risk is an ongoing process. A key element in this process is Huntington's estimation of the amount that net interest income will change over a twelve-month period given a gradual and directional shift in interest rates. The income simulation model used by Huntington captures all assets, liabilities, and off-balance sheet financial instruments, accounting for significant variables that are believed to be affected by interest rates. These include prepayment speeds on mortgages and consumer installment loans, cash flows of loans and deposits, principal amortization on revolving credit instruments, and balance sheet growth assumptions.

The model also captures embedded options, e.g. interest rate caps/floors or

call options, and accounts for changes in rate relationships, as various rate indices lead or lag changes in market rates. While these assumptions are inherently uncertain, management assigns probabilities and, therefore, believes at any point in time that the model provides a reasonably accurate estimate of Huntington's interest rate risk exposure. Management reporting of this information is regularly shared with the Board of Directors.

At December 31, 2000, the results of Huntington's sensitivity analysis indicated that net interest income would be expected to decline by approximately 1.4%, if rates rose 100 basis points and would drop an estimated 3.0%, in the event of a gradual 200 basis point increase. If rates declined 100 and 200 basis points, Huntington's net interest income would benefit 1.3% or 2.5%, respectively. Huntington's recent analysis shows a meaningful reduction in sensitivity to changing interest rates compared with year-end 1999, in which the risk to net interest income of a 200 basis point increase was 4.7%. This reduction is indicative of the balance sheet efficiency efforts described previously.

Active interest rate risk management necessitates the use of various types of off-balance sheet financial instruments, primarily interest rate swaps. Risk that is created by different indices on products, by unequal terms to maturity of assets and liabilities, and by products that are appealing to customers but incompatible with current risk limits can be eliminated or decreased in a cost efficient manner by utilizing interest rate swaps. Often, the swap strategy has enabled Huntington to lower the overall cost of raising wholesale funds. Similarly, financial futures, interest rate caps and floors, options, and forward rate agreements are used to control financial risk effectively. Off-balance sheet instruments are often preferable to similar cash instruments because, though performing identically, they require less capital while preserving access to the marketplace.

Table 9 illustrates the approximate market values, estimated maturities and weighted average rates of the interest rate swaps used by Huntington in its interest rate risk management program at December 31, 2000. As is the case with cash securities, the market value of interest rate swaps is largely a function of the financial market's expectations regarding the future direction of interest rates. Accordingly, current market values are not necessarily

<TABLE>
<CAPTION>

TABLE 9 INTEREST RATE SWAP PORTFOLIO AT DECEMBER 31, 2000

| | ASSET CONVERSION SWAPS | | | LIABILITY CONVERSION SWAPS | | | |
|---|---|---|---|---|---|---|---|
| (in millions of dollars) | Receive-fixed | Pay-fixed | Total | Receive-fixed | Pay-fixed | Total | BASIS PROTECTION SWAPS |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> | <C> |
| Notional value | $ 1,275 | $ 200 | $1,475 | $1,410 | $ 3,410 | $ 4,820 | $ 200 |
| Average maturity (years) | 1.7 | 0.7 | 1.6 | 5.0 | 0.6 | 1.9 | 0.7 |
| Market value | $ (2.0) | $ (0.3) | $ (2.3) | $ 22.3 | $ (14.5) | $ 7.8 | $ 0.6 |
| Average rate: | | | | | | | |
| Receive | 6.02% | 6.65% | 6.11% | 6.51% | 6.71% | 6.65% | 6.55% |
| Pay | 6.72% | 6.31% | 6.67% | 6.81% | 6.71% | 6.74% | 6.60% |

</TABLE>



indicative of the future impact of the swaps on net interest income. This will depend, in large part, on the shape of the yield curve as well as interest rate levels. With respect to the variable rate information presented in Table 9, management made no assumptions regarding future changes in interest rates.

The pay rates on Huntington's receive-fixed swaps vary based on movements in the applicable London interbank offered rate (LIBOR). Receive-fixed asset conversion swaps with notional values of $155 million have embedded written LIBOR-based call options. Basis swaps are contracts that provide for both parties to receive interest payments according to different rate indices and are

used to protect against changes in spreads between market rates.

The contractual amounts of interest payments to be exchanged are based on the notional values of the swap portfolio. These notional values do not represent direct credit exposures. At December 31, 2000, Huntington's credit risk from interest rate swaps used for asset/liability management purposes was $41.7 million, which represents the sum of the aggregate fair value of positions that have become favorable to Huntington, including any accrued interest receivable due from counterparties. In order to minimize the risk that a swap counterparty will not satisfy its interest payment obligation under the terms of the contract, Huntington performs credit reviews on all counterparties, restricts the number of counterparties used to a select group of high quality institutions, obtains collateral, and enters into formal netting arrangements. Huntington has never experienced any past due amounts from a swap counterparty and does not anticipate nonperformance in the future by any such counterparties.

At December 31, 2000, the total notional amount of off-balance sheet instruments used by Huntington on behalf of customers (for which the related interest rate risk is offset by third party contracts) was $1.1 billion. The credit exposure from these contracts is not material and furthermore, these separate activities, which are accounted for at fair value, are not a significant part of Huntington's operations. Accordingly, they have been excluded from the above discussion of off-balance sheet financial instruments and the related table.

## LIQUIDITY MANAGEMENT

Liquidity management is also a significant responsibility of ALCO. The objective of ALCO in this regard is to maintain an optimum balance of maturities among Huntington's assets and liabilities such that sufficient cash, or access to cash, is available at all times to meet the needs of borrowers, depositors, and creditors, as well as to fund corporate expansion and other activities.

A chief source of Huntington's liquidity is derived from the large retail deposit base accessible by its network of geographically dispersed banking offices. This core funding is supplemented by Huntington's demonstrated ability to raise funds in capital markets and to access funds nationwide. The bank subsidiary's $6 billion domestic bank note and $2 billion European bank note programs along with a similar $750 million note program at the parent company are significant sources of wholesale funding. Under these programs unsecured senior and subordinated notes are issuable with maturities ranging from one month to thirty years. The proceeds from the parent's note program are used from time to time to fund certain non-banking activities, finance acquisitions, repurchase Huntington's common stock, or for other general corporate purposes. At December 31, 2000, approximately $3.6 billion of notes were available under these programs to fund Huntington's future activities. Huntington also has $300 million of capital securities outstanding through its subsidiaries, Huntington Capital I and II. A $140 million line of credit is also available to the parent holding company to support commercial paper borrowings and other short-term working capital needs.

While liability sources are many, significant liquidity is also available from Huntington's investment and loan portfolios. ALCO regularly monitors the overall liquidity position of the business and ensures that various alternative strategies exist to cover unanticipated events. At the end of the recent year, management believes sufficient liquidity was available to meet estimated short-term and long-term funding needs.

TABLE 10 MATURITY OF DOMESTIC CERTIFICATES OF DEPOSIT OF $100,000 OR MORE

| (in thousands of dollars) | December 31, 2000 |
|---|---|
| Three months or less | $ 697,551 |
| Over three through six months | 284,293 |
| Over six through twelve months | 360,035 |
| Over twelve months | 434,774 |
| Total | $1,776,653 |



<TABLE>
<CAPTION>

TABLE 11 SHORT-TERM BORROWINGS

| | YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|
| (in thousands of dollars) | 2000 | 1999 | 1998 |
| <S> | <C> | <C> | <C> |
| FEDERAL FUNDS PURCHASED AND REPURCHASE AGREEMENTS | | | |

| | | | |
|---|---|---|---|
| Balance at year-end | $ 1,822,480 | $ 2,065,192 | $ 2,137,374 |
| Weighted average interest rate at year-end | 5.91% | 4.69% | 4.05% |
| Maximum amount outstanding at month-end during the year | $ 2,093,546 | $ 3,033,277 | $ 2,897,385 |
| Average amount outstanding during the year | $ 1,831,228 | $ 2,417,032 | $ 1,980,648 |
| Weighted average interest rate during the year | 5.68% | 4.50% | 4.72% |

</TABLE>

CREDIT RISK

Huntington's exposure to credit risk is managed through the use of consistent underwriting standards that emphasize "in-market" lending while avoiding highly leveraged transactions as well as excessive industry and other concentrations. The credit administration function employs extensive risk management techniques, including forecasting, to ensure that loans adhere to corporate policy and problem loans are promptly identified. These procedures provide executive management with the information necessary to implement policy adjustments where necessary, and take corrective actions on a proactive basis.

Non-performing assets (NPAs) consist of loans that are no longer accruing interest, loans that have been renegotiated based upon financial difficulties of the borrower, and real estate acquired through foreclosure. Commercial and real estate loans are placed on non-accrual status and stop accruing interest when collection of principal or interest is in doubt or generally when the loan is 90 days past due. When interest accruals are suspended, accrued interest income is reversed with current year accruals charged to earnings and prior year amounts generally charged off as a credit loss. Consumer loans are not placed on non-accrual status; rather they are charged off in accordance with regulatory statutes, which is generally no more than 120 days. A charge-off may be delayed in circumstances when collateral is repossessed and anticipated to be sold at a future date.

Total NPAs were $105.4 million at December 31, 2000, compared with $98.2 million at year-end 1999. As of the same dates, NPAs as a percent of total loans and other real estate were .51% and .47%. Total NPAs are expected to increase further in 2001 as deteriorating economic conditions adversely impact corporate borrowers. Loans past due ninety days or more but continuing to accrue interest increased to $80.3 million at December 31, 2000, versus $61.3 million last year. This increase was approximately evenly distributed between commercial and consumer lending.

CAPITAL AND DIVIDENDS

Huntington places significant emphasis on the maintenance of strong capital, which promotes investor confidence, provides access to the national markets under favorable terms, and enhances business growth and acquisition opportunities. Huntington also recognizes the importance of managing capital and continually strives to maintain an appropriate balance between capital adequacy and returns to shareholders. Capital is managed at each subsidiary based upon the respective risks and growth opportunities, as well as regulatory requirements.

Average shareholders' equity was $2.3 billion for the year ended December 31, 2000, compared with $2.1 billion last year. Huntington's ratio of average equity to average assets in the recent year was 7.94% versus 7.47% one year ago. On a period-end basis, the ratios were 8.27% and 7.52%. Excluding the unrealized losses on securities available for sale, tangible equity to assets was 5.87% and 5.64% at the two recent year-ends.

Risk-based capital guidelines established by the Federal Reserve Board set minimum capital requirements and require institutions to calculate risk-based capital ratios by assigning risk weightings to assets and off-balance sheet items, such as interest rate swaps, loan commitments, and securitizations. These guidelines further define "well-capitalized" levels for Tier 1, Total Capital, and Leverage ratio purposes at 6%, 10%, and 5%, respectively. At December 31, 2000, Huntington's Tier 1 risk-based capital ratio was 7.19%, total risk-based capital ratio was 10.46%, and the leverage ratio was 6.93%. Huntington's bank subsidiary also had regulatory capital ratios in excess of the levels established for well-capitalized institutions.



<TABLE>
<CAPTION>

TABLE 12 NON-PERFORMING ASSETS AND PAST DUE LOANS

| | DECEMBER 31, | | | | |
|---|---|---|---|---|---|
| (in thousands of dollars) | 2000 | 1999 | 1998 | 1997 | 1996 |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Non-accrual loans | | | | | |
| Commercial | $ 55,804 | $ 42,958 | $ 34,586 | $ 36,459 | $ 25,621 |
| Real Estate | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Construction | 8,687 | 10,785 | 10,181 | 5,916 | 1,741 |
| Commercial | 18,015 | 16,131 | 13,243 | 10,212 | 14,843 |
| Residential | 10,174 | 11,866 | 14,419 | 13,394 | 12,835 |
| Total Non-accrual Loans | 92,680 | 81,740 | 72,429 | 65,981 | 55,040 |
| Renegotiated loans | 1,304 | 1,330 | 4,706 | 5,822 | 4,422 |
| TOTAL NON-PERFORMING LOANS | 93,984 | 83,070 | 77,135 | 71,803 | 59,462 |
| Other real estate, net | 11,413 | 15,171 | 18,964 | 15,343 | 17,208 |
| TOTAL NON-PERFORMING ASSETS | $105,397 | $ 98,241 | $ 96,099 | $ 87,146 | $ 76,670 |
| ACCRUING LOANS PAST DUE 90 DAYS OR MORE | $ 80,306 | $ 61,287 | $ 51,037 | $ 49,608 | $ 39,267 |
| NON-PERFORMING LOANS AS A % OF TOTAL LOANS | 0.46% | 0.40% | 0.40% | 0.40% | 0.35% |
| NON-PERFORMING ASSETS AS A % OF TOTAL LOANS AND OTHER REAL ESTATE | 0.51% | 0.47% | 0.49% | 0.49% | 0.46% |
| ALLOWANCE FOR LOAN LOSSES AS A % OF NON-PERFORMING LOANS | 316.95% | 360.31% | 377.19% | 359.55% | 388.11% |
| ALLOWANCE FOR LOAN LOSSES AND OTHER REAL ESTATE AS A % OF NON-PERFORMING ASSETS | 279.16% | 299.85% | 301.00% | 294.32% | 297.12% |
| ACCRUING LOANS PAST DUE 90 DAYS OR MORE TO TOTAL LOANS | 0.39% | 0.30% | 0.26% | 0.28% | 0.23% |

</TABLE>

Note: For 2000, the amount of interest income which would have been recorded under the original terms for total loans classified as non-accrual or renegotiated was $6.5 million. Amounts actually collected and recorded as interest income for these loans totaled $3.9 million.

- --------------------------------------------------------------------------------

A 10% stock dividend was distributed to shareholders in the year just ended. Cash dividends declared, as restated for the impact of the stock dividend, were $.76 a share in 2000, up 12% from 1999.

During the second quarter of 2000, Huntington's Board of Directors authorized the purchase of an additional 11 million shares under Huntington's common stock repurchase program. The shares will be repurchased in the open market and in privately negotiated transactions. Repurchased shares are being reserved for reissue in connection with Huntington's dividend reinvestment and employee benefit plans as well as for stock dividends, acquisitions, and other corporate purposes. During 2000, Huntington repurchased approximately 8.8 million shares of its common stock through open market and privately negotiated transactions. Approximately 7.2 million of these shares were reissued in connection with the acquisitions of Empire and JRD. As of December 31, 2000, approximately 15.3 million shares remained available under the authorization. Huntington has not repurchased any shares since September 30, 2000, as management continues to review its capital management strategy, including future share repurchases.



RESULTS FOR THE FOURTH QUARTER

Operating earnings for the fourth quarter of 2000 were $76.2 million, or $.30 per share, compared with $107.3 million, or $.42 per share, for the last three months of 1999. The 1999 results exclude the impact of the $70.6 million after-tax gain on the sale of Huntington's credit card portfolio and the $62.9 million after-tax special charge. Related ROE was 12.89% and 20.20% for these periods and ROA was 1.06% and 1.47%, respectively.

Net interest income was $233.1 million in the recent quarter, an 8% decline from the comparable period last year. The net interest margin was 3.70% versus 3.94% in the fourth quarter of 1999. These declines reflect the impact of higher short-term interest rates and, as previously mentioned, the changing mix of Huntington's core deposit base to more expensive products throughout the year.

After adjusting for the impact of acquisitions, securitization activity, and asset sales, average total loans grew 9% over the fourth quarter last year. Growth in the consumer portfolio was particularly strong at 14%, with the largest increases in home equity lending at 24% and indirect automobile financing at 14%. Commercial loans and commercial real estate loans grew 3% and 4%, respectively. Core deposits were at the same level as last year's fourth quarter.

The provision for loan losses increased $12.5 million over last year, $9.2 million of which was due to higher net charge-offs and $3.3 million related to loan growth. Annualized net charge-offs increased to .50% of average loans during the last quarter of 2000 versus .32% in the same period a year ago. Though higher than the comparable period last year, charge-offs were in line

with management's expectations, and reflect broader industry trends as economic conditions deteriorated in the latter part of 2000.

Excluding securities gains and the gain from the 1999 sale of credit card receivables, non-interest income for the fourth quarter of 2000 was $129.7 million, up 13% from $114.3 million one year ago. Increases in most major categories offset the decline in service charges on deposit accounts and the reduction in credit card fees following the portfolio sale. The largest increases were in brokerage and insurance income, which grew nearly 28% as a result of the JRD acquisition, and the "Other" component of non-interest revenue, which included $10.0 million of income from the automobile loan securitizations. Electronic banking fees were also up 15% from continued increases in check card fees.

Non-interest expense, excluding special charges, was $223.9 million in the recent three months, compared with $204.9 million in the same period a year ago. Approximately $7 million of expenses related to acquisitions and unusually high operational losses drove the increase. Several other categories were also up during the period.

SUBSEQUENT EVENT

On March 7, 2001, Huntington National Bank, Huntington's subsidiary bank, announced that the Huntington Money Market Fund had sold commercial paper and realized a $4.2 million loss. The loss will be reimbursed by Huntington and will not affect the Huntington Fund's shareholders or share price. The $4.2 million pre-tax loss will be reflected in Huntington's first quarter 2001 financial results.



AVERAGE BALANCE SHEETS AND NET INTEREST MARGIN ANALYSIS

<TABLE>
<CAPTION>

| | 2000 | | | 1999 | | |
|---|---|---|---|---|---|---|
| Fully Tax Equivalent Basis (1)<br>(in millions of dollars) | AVERAGE BALANCE | INTEREST INCOME/ EXPENSE | YIELD/ RATE | AVERAGE BALANCE | INTEREST INCOME/ EXPENSE | YIELD/ RATE |
| ASSETS | | | | | | |
| Interest bearing deposits in banks | $ 6 | $ 0.3 | 5.03 % | $ 9 | $ 0.4 | 4.04 % |
| Trading account securities | 15 | 1.1 | 7.11 | 13 | 0.8 | 5.89 |
| Federal funds sold and securities purchased under resale agreements | 87 | 5.5 | 6.33 | 22 | 1.2 | 5.58 |
| Mortgages held for sale | 109 | 8.7 | 7.96 | 232 | 16.3 | 7.03 |
| Securities: | | | | | | |
| Taxable | 4,316 | 269.5 | 6.24 | 4,885 | 297.0 | 6.08 |
| Tax exempt | 273 | 20.8 | 7.61 | 297 | 23.5 | 7.90 |
| Total Securities | 4,589 | 290.3 | 6.33 | 5,182 | 320.5 | 6.18 |
| Loans: | | | | | | |
| Commercial | 6,446 | 553.2 | 8.58 | 6,128 | 483.4 | 7.89 |
| Real Estate | | | | | | |
| Construction | 1,270 | 110.7 | 8.72 | 1,064 | 86.1 | 8.09 |
| Commercial | 2,187 | 185.7 | 8.49 | 2,235 | 181.6 | 8.13 |
| Consumer | | | | | | |
| Loans | 6,546 | 562.4 | 8.59 | 6,938 | 575.7 | 8.30 |
| Leases | 2,924 | 197.9 | 6.77 | 2,299 | 154.5 | 6.72 |
| Residential Mortgage | 1,296 | 99.6 | 7.69 | 1,425 | 107.0 | 7.51 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total Consumer | 10,766 | 859.9 | 7.97 | 10,662 | 837.2 | 7.85 |
| Total Loans | 20,669 | 1,709.5 | 8.27 | 20,089 | 1,588.3 | 7.91 |
| Allowance for loan losses/loan fees | 303 | 101.4 | | 301 | 107.9 | |
| Net loans (2) | 20,366 | 1,810.9 | 8.76 | 19,788 | 1,696.2 | 8.44 |
| Total earning assets | 25,475 | 2,116.8 | 8.31 % | 25,547 | 2,035.4 | 7.97 % |
| Cash and due from banks | 1,008 | | | 1,039 | | |
| All other assets | 2,541 | | | 2,454 | | |
| TOTAL ASSETS | $ 28,721 | | | $ 28,739 | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | |
| Core deposits | | | | | | |
| Non-interest bearing deposits | $ 3,421 | | | $ 3,497 | | |
| Interest bearing demand deposits | 4,291 | 144.0 | 3.36 % | 4,097 | 106.5 | 2.60 % |
| Savings deposits | 3,563 | 146.4 | 4.11 | 3,740 | 126.0 | 3.37 |
| Certificates of deposit | 7,374 | 425.8 | 5.78 | 7,272 | 375.7 | 5.17 |
| Total core deposits | 18,649 | 716.2 | 4.70 | 18,606 | 608.2 | 4.03 |
| Other domestic time deposits | 502 | 31.9 | 6.35 | 238 | 12.8 | 5.40 |
| Foreign time deposits | 539 | 34.0 | 6.31 | 363 | 18.6 | 5.14 |
| Total deposits | 19,690 | 782.1 | 4.81 | 19,207 | 639.6 | 4.07 |
| Short-term borrowings | 1,966 | 113.1 | 5.75 | 2,549 | 114.3 | 4.48 |
| Medium-term notes | 2,894 | 189.3 | 6.54 | 3,122 | 170.0 | 5.45 |
| Subordinated notes and other long-term debt, including capital securities | 1,124 | 81.6 | 7.26 | 1,003 | 60.3 | 6.01 |
| Total interest bearing liabilities | 22,253 | 1,166.1 | 5.24 % | 22,384 | 984.2 | 4.40 % |
| All other liabilities | 768 | | | 711 | | |
| Shareholders' equity | 2,279 | | | 2,147 | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 28,721 | | | $ 28,739 | | |
| Net interest rate spread | | | 3.07 % | | | 3.57 % |
| Impact of non-interest bearing funds on margin | | | 0.66 % | | | 0.54 % |
| NET INTEREST MARGIN | | $ 950.7 | 3.73 % | | $ 1,051.2 | 4.11 % |

</TABLE>

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

(2) Net loan rate includes loan fees, whereas individual loan components above are shown exclusive of fees. Individual components include non-accrual loan

balances and related interest received.



<TABLE>
<CAPTION>

| | 1998 | | | 1997 | | |
|---|---|---|---|---|---|---|
| | AVERAGE BALANCE | INTEREST INCOME/ EXPENSE | YIELD/ RATE | AVERAGE BALANCE | INTEREST INCOME/ EXPENSE | YIELD/ RATE |
| <S> | | <C> | <C> | <C> | <C> | <C> |
| | $ 10 | $ 1.0 | 5.22 % | $ 9 | $ 0.5 | 5.47 % |
| | 11 | 0.6 | 5.71 | 10 | 0.6 | 5.70 |
| | 229 | 12.9 | 5.64 | 44 | 2.4 | 5.50 |
| | 289 | 20.2 | 6.99 | 131 | 10.1 | 7.75 |
| | 4,896 | 308.8 | 6.31 | 5,351 | 339.8 | 6.35 |
| | 247 | 21.9 | 8.83 | 264 | 25.3 | 9.55 |
| | 5,143 | 330.7 | 6.43 | 5,615 | 365.1 | 6.50 |
| | 5,629 | 469.0 | 8.33 | 5,302 | 456.6 | 8.61 |
| | 829 | 71.7 | 8.65 | 813 | 73.8 | 8.85 |
| | 2,304 | 199.6 | 8.66 | 2,251 | 200.6 | 8.91 |
| | 6,679 | 593.9 | 8.89 | 6,299 | 574.8 | 9.12 |
| | 1,693 | 120.1 | 7.09 | 1,406 | 106.7 | 7.59 |
| | 1,300 | 104.6 | 8.04 | 1,510 | 126.3 | 8.28 |
| | 9,672 | 818.6 | 8.46 | 9,215 | 807.8 | 8.77 |
| | 18,434 | 1,558.9 | 8.46 | 17,581 | 1,538.8 | 8.75 |
| | 280 | 85.4 | | 252 | 75.8 | |
| | 18,154 | 1,644.3 | 8.92 | 17,329 | 1,614.6 | 9.18 |
| | 24,116 | 2,009.7 | 8.33 % | 23,390 | 1,993.3 | 8.52 % |
| | 975 | | | 910 | | |
| | 2,081 | | | 1,103 | | |
| | $ 26,892 | | | $ 25,151 | | |
| | | | | | | |
| | $ 3,287 | | | $ 2,774 | | |
| | 3,585 | 96.4 | 2.69 % | 3,204 | 84.4 | 2.64 % |
| | 3,277 | 114.0 | 3.48 | 3,056 | 100.4 | 3.28 |
| | 7,979 | 445.6 | 5.58 | 7,414 | 417.3 | 5.63 |
| | 18,128 | 656.0 | 4.42 | 16,448 | 602.1 | 4.40 |
| | 182 | 10.5 | 5.82 | 365 | 21.8 | 5.97 |
| | 103 | 5.9 | 5.66 | 382 | 22.2 | 5.81 |
| | 18,413 | 672.4 | 4.44 | 17,195 | 646.1 | 4.48 |
| | 2,084 | 97.7 | 4.69 | 2,826 | 146.4 | 5.18 |
| | 2,903 | 164.6 | 5.67 | 1,983 | 116.2 | 5.86 |
| | 876 | 43.6 | 4.98 | 739 | 45.5 | 6.16 |
| | 20,989 | 978.3 | 4.66 % | 19,969 | 954.2 | 4.78 % |
| | 552 | | | 514 | | |
| | 2,064 | | | 1,894 | | |
| | $ 26,892 | | | $ 25,151 | | |
| | | | 3.67 % | | | 3.74 % |
| | | | 0.61 % | | | 0.70 % |
| | | $ 1,031.4 | 4.28 % | | $ 1,039.1 | 4.44 % |

</TABLE>

<TABLE>
<CAPTION>

| | 1996 | | | 1995 | | |
|---|---|---|---|---|---|---|
| | AVERAGE BALANCE | INTEREST INCOME/ EXPENSE | YIELD/ RATE | AVERAGE BALANCE | INTEREST INCOME/ EXPENSE | YIELD/ RATE |
| <S> | | <C> | <C> | <C> | <C> | <C> |
| | $ 14 | $ 0.8 | 5.85 % | $ 26 | $ 1.6 | 5.99 % |
| | 16 | 0.9 | 5.66 | 23 | 1.6 | 7.29 |
| | 67 | 3.8 | 6.03 | 93 | 5.6 | 6.10 |
| | 113 | 8.7 | 7.74 | 133 | 10.0 | 7.58 |
| | 5,194 | 333.7 | 6.42 | 4,679 | 310.7 | 6.64 |
| | 291 | 27.9 | 9.59 | 342 | 33.2 | 9.73 |
| | 5,485 | 361.6 | 6.59 | 5,021 | 343.9 | 6.85 |
| | 4,955 | 396.9 | 8.01 | 4,703 | 403.3 | 8.58 |
| | 580 | 50.7 | 8.75 | 473 | 41.6 | 8.79 |
| | 2,129 | 189.3 | 8.89 | 1,646 | 145.1 | 8.82 |
| | 5,880 | 528.4 | 8.99 | 5,508 | 494.2 | 8.97 |
| | 950 | 74.8 | 7.87 | 657 | 51.0 | 7.76 |
| | 1,485 | 123.0 | 8.28 | 2,188 | 183.0 | 8.36 |
| | 8,315 | 726.2 | 8.73 | 8,353 | 728.2 | 8.72 |
| | 15,979 | 1,363.1 | 8.53 | 15,175 | 1,318.2 | 8.69 |
| | 231 | 49.2 | | 227 | 43.4 | |
| | 15,748 | 1,412.3 | 8.84 | 14,948 | 1,361.6 | 8.97 |
| | 21,674 | 1,788.1 | 8.26 % | 20,471 | 1,724.3 | 8.43 % |
| | 901 | | | 883 | | |
| | 1,031 | | | 972 | | |
| | $ 23,375 | | | $ 22,099 | | |

| | | | | | |
|---|---|---|---|---|---|
| $ 2,664 | | | $ 2,477 | | |
| 3,068 | 80.2 | 2.61 % | 2,815 | 68.6 | 2.44 % |
| 2,836 | 86.3 | 3.04 | 2,666 | 77.9 | 2.92 |
| 6,959 | 394.3 | 5.67 | 6,635 | 374.0 | 5.64 |
| 15,527 | 560.8 | 4.36 | 14,593 | 520.5 | 4.30 |
| 28 | 1.5 | 5.36 | 16 | 1.1 | 6.88 |
| 305 | 18.4 | 6.03 | 262 | 17.0 | 6.50 |
| 15,860 | 580.7 | 4.40 | 14,871 | 538.6 | 4.34 |
| 2,883 | 149.1 | 5.17 | 2,422 | 138.1 | 5.70 |
| 1,835 | 120.2 | 6.55 | 2,103 | 146.4 | 6.96 |
| 516 | 30.7 | 5.96 | 529 | 33.8 | 6.38 |
| 18,430 | 880.7 | 4.78 % | 17,448 | 856.9 | 4.91 % |
| 505 | | | 432 | | |
| 1,776 | | | 1,742 | | |
| $ 23,375 | | | $ 22,099 | | |
| | | 3.48 % | | | 3.52 % |
| | | 0.71 % | | | 0.72 % |
| | $ 907.4 | 4.19 % | | $ 867.4 | 4.24 % |

</TABLE>



SELECTED ANNUAL INCOME STATEMENT DATA

<TABLE>
<CAPTION>

| (in thousands of dollars, except per share amounts) | YEAR ENDED DECEMBER 31, 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| TOTAL INTEREST INCOME | $2,108,505 | $2,026,002 | $1,999,364 | $1,981,473 | $1,775,734 | $1,709,627 |
| TOTAL INTEREST EXPENSE | 1,166,073 | 984,240 | 978,271 | 954,243 | 880,648 | 856,860 |
| NET INTEREST INCOME | 942,432 | 1,041,762 | 1,021,093 | 1,027,230 | 895,086 | 852,767 |
| Provision for loan losses | 90,479 | 88,447 | 105,242 | 107,797 | 76,371 | 36,712 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 851,953 | 953,315 | 915,851 | 919,433 | 818,715 | 816,055 |
| Service charges on deposit accounts | 160,727 | 156,315 | 126,403 | 117,852 | 107,669 | 97,505 |
| Brokerage and insurance income | 61,871 | 52,076 | 36,710 | 27,084 | 20,856 | 17,979 |
| Trust services | 53,613 | 52,030 | 50,754 | 48,102 | 42,237 | 37,627 |
| Electronic banking fees | 43,883 | 37,301 | 29,202 | 22,705 | 12,013 | 6,190 |
| Bank Owned Life Insurance income | 39,544 | 37,560 | 28,712 | -- | -- | -- |
| Mortgage banking | 38,025 | 56,890 | 60,006 | 55,715 | 43,942 | 39,309 |
| Credit card fees | 6,985 | 23,314 | 21,909 | 20,467 | 23,086 | 18,757 |
| Other | 51,810 | 36,587 | 45,181 | 42,936 | 46,640 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | 48,343 |
| TOTAL NON-INTEREST INCOME BEFORE SECURITIES AND CREDIT CARD PORTFOLIO SALE GAINS | 456,458 | 452,073 | 398,877 | 334,861 | 296,443 | 265,710 |
| Securities gains | 37,101 | 12,972 | 29,793 | 7,978 | 17,620 | 9,380 |
| Gains on sale of credit card portfolios | -- | 108,530 | 9,530 | -- | -- | -- |
| TOTAL NON-INTEREST INCOME | 493,559 | 573,575 | 438,200 | 342,839 | 314,063 | 275,090 |
| Personnel and related costs | 421,750 | 419,901 | 428,539 | 392,793 | 360,865 | 344,905 |
| Equipment | 78,069 | 66,666 | 62,040 | 57,867 | 50,887 | 44,646 |
| Net occupancy | 75,882 | 62,169 | 54,123 | 49,509 | 49,676 | 47,824 |
| Outside data processing and other services | 62,011 | 62,886 | 74,795 | 66,683 | 58,367 | 53,582 |
| Amortization of intangible assets | 39,207 | 37,297 | 25,689 | 13,019 | 10,220 | 9,471 |
| Marketing | 34,884 | 32,506 | 32,260 | 32,782 | 20,331 | 17,598 |
| Telecommunications | 26,225 | 28,519 | 29,429 | 21,527 | 16,567 | 13,946 |
| Legal and other professional services | 20,819 | 21,169 | 25,160 | 24,931 | 20,313 | 18,656 |
| Printing and supplies | 19,634 | 20,227 | 23,673 | 21,584 | 19,602 | 18,103 |
| Franchise and other taxes | 11,077 | 14,674 | 22,103 | 19,836 | 20,359 | 17,083 |
| Other | 46,059 | 49,314 | 46,118 | 51,414 | 48,323 | 76,247 |
| TOTAL NON-INTEREST EXPENSE BEFORE SPECIAL CHARGES | 835,617 | 815,328 | 823,929 | 751,945 | 675,510 | 662,061 |
| Special charges | 50,000 | 96,791 | 90,000 | 51,163 | -- | -- |
| TOTAL NON-INTEREST EXPENSE | 885,617 | 912,119 | 913,929 | 803,108 | 675,510 | 662,061 |
| INCOME BEFORE INCOME TAXES | 459,895 | 614,771 | 440,122 | 459,164 | 457,268 | 429,084 |
| Provision for income taxes | 131,449 | 192,697 | 138,354 | 166,501 | 152,999 | 147,283 |
| NET INCOME | $ 328,446 | $ 422,074 | $ 301,768 | $ 292,663 | $ 304,269 | $ 281,801 |
| PER COMMON SHARE (1) | | | | | | |
| Net income | | | | | | |
| Basic | $ 1.32 | $ 1.66 | $ 1.18 | $ 1.15 | $ 1.19 | $ 1.07 |
| Diluted | $ 1.32 | $ 1.65 | $ 1.17 | $ 1.14 | $ 1.18 | $ 1.06 |
| Cash dividends declared | $ 0.76 | $ 0.68 | $ 0.62 | $ 0.56 | $ 0.51 | $ 0.46 |
| FULLY TAX EQUIVALENT MARGIN: | | | | | | |
| Net Interest Income | $ 942,432 | $1,041,762 | $1,021,093 | $1,027,230 | $ 895,086 | $ 852,767 |
| Tax Equivalent Adjustment (2) | 8,310 | 9,423 | 10,307 | 11,864 | 12,363 | 14,602 |
| Tax Equivalent Net Interest Income | $ 950,742 | $1,051,185 | $1,031,400 | $1,039,094 | $ 907,449 | $ 867,369 |

==========

</TABLE>

(1) Adjusted for stock dividends and stock splits, as applicable.
(2) Calculated assuming a 35% tax rate.



MARKET PRICES, KEY RATIOS, AND STATISTICS (QUARTERLY DATA)

QUARTERLY COMMON STOCK SUMMARY (1)

| | 2000 | | | | 1999 | | | |
|---|---|---|---|---|---|---|---|---|
| | 4 Q | 3 Q | 2 Q | 1 Q | 4 Q | 3 Q | 2 Q | 1 Q |
| High | $ 16.375 | $ 18.813 | $ 21.307 | $ 21.818 | $ 27.955 | $ 30.785 | $ 30.888 | $ 27.686 |
| Low | 12.516 | 14.375 | 14.091 | 16.136 | 19.489 | 22.443 | 25.155 | 24.690 |
| Close | 16.188 | 14.688 | 14.375 | 20.341 | 21.705 | 24.148 | 28.926 | 25.568 |
| Cash dividends declared | $ 0.20 | $ 0.20 | $ 0.18 | $ 0.18 | $ 0.18 | $ 0.18 | $ 0.16 | $ 0.16 |

Note: Stock price quotations were obtained from NASDAQ.

KEY RATIOS AND STATISTICS (1)

| | 2000 | | | | 1999 | | | |
|---|---|---|---|---|---|---|---|---|
| | 4 Q | 3 Q | 2 Q | 1 Q | 4 Q | 3 Q | 2 Q | 1 Q |
| MARGIN ANALYSIS - AS A % OF AVERAGE EARNING ASSETS (2) | | | | | | | | |
| Interest Income | 8.47% | 8.43% | 8.27% | 8.08% | 7.98% | 8.07% | 7.87% | 7.98% |
| Interest Expense | 4.77% | 4.69% | 4.55% | 4.30% | 4.04% | 3.85% | 3.73% | 3.80% |
| Net Interest Margin | 3.70% | 3.74% | 3.72% | 3.78% | 3.94% | 4.22% | 4.14% | 4.18% |
| RETURN ON (3) | | | | | | | | |
| Average total assets | 1.06% | 1.15% | 1.37% | 1.45% | 1.47% | 1.45% | 1.47% | 1.38% |
| Average total assets - cash basis | 1.21% | 1.30% | 1.51% | 1.58% | 1.61% | 1.59% | 1.61% | 1.52% |
| Average shareholders' equity | 12.89% | 14.04% | 17.79% | 18.99% | 20.20% | 19.07% | 19.48% | 18.47% |
| Average shareholders' equity - cash basis | 21.14% | 22.74% | 27.26% | 29.01% | 31.59% | 29.54% | 30.61% | 29.58% |
| Efficiency ratio (3) | 58.48% | 58.38% | 53.90% | 53.93% | 52.97% | 51.02% | 50.93% | |

52.16%

REGULATORY CAPITAL DATA

| (in millions of dollars) | 2000 4 Q | 2000 3 Q | 2000 2 Q | 2000 1 Q | 1999 4 Q | 1999 3 Q | 1999 2 Q | 1999 1 Q |
|---|---|---|---|---|---|---|---|---|
| Total Risk-Adjusted Assets | $ 26,880 | $ 26,370 | $ 25,900 | $ 25,251 | $ 25,298 | $ 25,309 | $ 24,829 | $ 24,345 |
| Ratios: | | | | | | | | |
| Tier 1 Risk-Based Capital | 7.19% | 7.20% | 7.40% | 7.23% | 7.52% | 7.32% | 7.29% | 7.20% |
| Total Risk-Based Capital | 10.46% | 10.64% | 10.90% | 10.90% | 10.72% | 10.62% | 10.65% | 10.70% |
| Tier 1 Leverage | 6.93% | 6.80% | 6.89% | 6.45% | 6.72% | 6.58% | 6.45% | 6.32% |

</TABLE>

- ----------------------------------

(1) Adjusted for stock splits and stock dividends, as applicable.
(2) Presented on a fully tax equivalent basis assuming a 35% tax rate.
(3) Presented on an "operating" basis (excludes special charges and gains from sale of credit card portfolios, net of taxes).



SELECTED QUARTERLY INCOME STATEMENT DATA

<TABLE>
<CAPTION>

| (in thousands of dollars, except per share amounts) | 2000 4 Q | 2000 3 Q | 2000 2 Q | 2000 1 Q | 1999 4 Q | 1999 3 Q | 1999 2 Q | 1999 1 Q |
|---|---|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> |
| TOTAL INTEREST INCOME | $537,661 | $535,791 | $519,496 | $515,557 | $515,516 | $516,294 | $498,500 | $495,692 |
| TOTAL INTEREST EXPENSE | 304,595 | 299,922 | 286,690 | 274,866 | 262,854 | 247,863 | 237,352 | 236,171 |
| NET INTEREST INCOME | 233,066 | 235,869 | 232,806 | 240,691 | 252,662 | 268,431 | 261,148 | 259,521 |
| Provision for loan losses | 32,548 | 26,396 | 15,834 | 15,701 | 20,040 | 22,076 | 21,026 | 25,305 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 200,518 | 209,473 | 216,972 | 224,990 | 232,622 | 246,355 | 240,122 | 234,216 |
| Service charges on deposit accounts | 39,248 | 39,722 | 40,097 | 41,660 | 42,774 | 41,700 | 36,065 | 35,776 |
| Brokerage and insurance income | 17,078 | 15,564 | 13,945 | 15,284 | 13,373 | 14,620 | 12,540 | 11,543 |
| Trust services | 14,404 | 13,181 | 13,165 | 12,863 | 12,828 | 12,625 | 13,143 | 13,434 |
| Mortgage banking | 11,976 | 9,412 | 8,122 | 8,515 | 9,426 | 14,282 | 17,224 | 15,958 |
| Electronic banking fees | 11,546 | 11,238 | 11,250 | 9,849 | 10,082 | 9,771 | 9,410 | 8,038 |
| Bank Owned Life Insurance income | 11,086 | 9,786 | 9,486 | 9,186 | 9,390 | 9,390 | 9,390 | 9,390 |
| Credit card fees | 2,108 | 1,744 | 1,340 | 1,793 | 5,091 | 6,626 | 6,255 | 5,342 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other | 22,258 | 9,626 | 18,145 | 1,781 | 11,374 | 6,103 | 11,029 | 8,081 |
| TOTAL NON-INTEREST INCOME BEFORE SECURITIES AND CREDIT CARD PORTFOLIO SALE GAINS | 129,704 | 110,273 | 115,550 | 100,931 | 114,338 | 115,117 | 115,056 | 107,562 |
| Securities gains | 845 | 11,379 | 114 | 24,763 | 7,905 | 537 | 2,220 | 2,310 |
| Gains on sale of credit card portfolio | -- | -- | -- | -- | 108,530 | -- | -- | -- |
| TOTAL NON-INTEREST INCOME | 130,549 | 121,652 | 115,664 | 125,694 | 230,773 | 115,654 | 117,276 | 109,872 |
| Personnel and related costs | 105,810 | 109,463 | 104,133 | 102,344 | 100,654 | 104,730 | 107,263 | 107,254 |
| Equipment | 20,811 | 18,983 | 18,863 | 19,412 | 18,161 | 16,059 | 15,573 | 16,873 |
| Net occupancy | 18,614 | 19,520 | 18,613 | 19,135 | 17,890 | 16,799 | 13,563 | 13,917 |
| Outside data processing and other services | 16,142 | 15,531 | 15,336 | 15,002 | 15,642 | 15,929 | 15,923 | 15,392 |
| Marketing | 10,592 | 8,557 | 7,742 | 7,993 | 9,642 | 9,049 | 7,319 | 6,496 |
| Amortization of intangible assets | 10,494 | 10,311 | 9,206 | 9,196 | 9,307 | 9,326 | 9,336 | 9,328 |
| Legal and other professional services | 6,785 | 4,719 | 4,815 | 4,500 | 5,868 | 4,754 | 5,803 | 4,744 |
| Telecommunications | 6,524 | 6,480 | 6,472 | 6,749 | 7,108 | 7,412 | 6,935 | 7,064 |
| Printing and supplies | 5,212 | 4,849 | 4,956 | 4,617 | 5,483 | 5,254 | 4,734 | 4,756 |
| Franchise and other taxes | 3,163 | 2,841 | 2,635 | 2,438 | 2,708 | 3,598 | 3,981 | 4,387 |
| Other | 19,703 | 12,331 | 5,305 | 8,720 | 12,432 | 13,279 | 11,708 | 11,895 |
| TOTAL NON-INTEREST EXPENSE BEFORE SPECIAL CHARGES | 223,850 | 213,585 | 198,076 | 200,106 | 204,895 | 206,189 | 202,138 | 202,106 |
| Special charges | -- | 50,000 | -- | -- | 96,791 | -- | -- | -- |
| TOTAL NON-INTEREST EXPENSE | 223,850 | 263,585 | 198,076 | 200,106 | 301,686 | 206,189 | 202,138 | 202,106 |
| INCOME BEFORE INCOME TAXES | 107,217 | 67,540 | 134,560 | 150,578 | 161,709 | 155,820 | 155,260 | 141,982 |
| Provision for income taxes | 30,995 | 17,010 | 37,039 | 46,405 | 46,769 | 50,233 | 50,285 | 45,410 |
| NET INCOME | $ 76,222 | $ 50,530 | $ 97,521 | $104,173 | $114,940 | $105,587 | $104,975 | $ 96,572 |
| PER COMMON SHARE (1) | | | | | | | | |
| Net income--Diluted | $ 0.30 | $ 0.20 | $ 0.40 | $ 0.42 | $ 0.45 | $ 0.41 | $ 0.41 | $ 0.38 |
| Cash Dividends Declared | $ 0.20 | $ 0.20 | $ 0.18 | $ 0.18 | $ 0.18 | $ 0.18 | $ 0.16 | $ 0.16 |
| OPERATING RESULTS (2) | | | | | | | | |
| Net income | $ 76,222 | $ 83,030 | $ 97,521 | $104,173 | $107,310 | $105,587 | $104,975 | $ 96,572 |
| Net income per common share | | | | | | | | |
| Diluted | $ 0.30 | $ 0.33 | $ 0.40 | $ 0.42 | $ 0.42 | $ 0.41 | $ 0.41 | $ 0.38 |
| Diluted - Cash Basis (3) | $ 0.34 | $ 0.36 | $ 0.43 | $ 0.45 | $ 0.45 | $ 0.44 | $ 0.44 | $ 0.41 |

</TABLE>

(1) Adjusted for stock splits and stock dividends, as applicable.

(2) Excludes special charges and gains on sale of credit card portfolio, net of related taxes.
(3) Tangible or "Cash Basis" net income excludes amortization of goodwill and other intangibles.



ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Information required by this item is set forth in Item 7 on pages 16 through 18 under the caption "Interest Rate Risk and Liquidity Management."

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF MANAGEMENT

The management of Huntington is responsible for the financial information and representations contained in the consolidated financial statements and other sections of this report. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States. In all material respects, they reflect the substance of transactions that should be included based on informed judgments, estimates, and currently available information.

Huntington maintains accounting and other control systems which, in the opinion of management, provide reasonable assurance that (1) transactions are properly recorded on the books and records, and (2) that the assets are properly safeguarded. The systems of internal accounting controls include the careful selection and training of qualified personnel, appropriate segregation of responsibilities, communication of written policies and procedures, and a broad program of internal audits. The costs of the controls are balanced against the expected benefits. During 2000, the Audit Committee of the Board of Directors met regularly with management, Huntington's internal auditors, and the independent auditors, Ernst & Young LLP, to review the scope of the audits and to discuss the evaluation of internal accounting controls and financial reporting matters. The independent and internal auditors have free access to and meet confidentially with the Audit Committee to discuss appropriate matters.

The independent auditors are responsible for expressing an informed judgment as to whether the consolidated financial statements present fairly, in accordance with accounting principles generally accepted in the United States, the financial position, results of operations and cash flows of Huntington. They obtained an understanding of Huntington's internal accounting controls and conducted such tests and related procedures as they deemed necessary to provide reasonable assurance, giving due consideration to materiality, that the consolidated financial statements contain neither misleading nor erroneous data. Their report appears below.

| /s/ Frank Wobst | /s/ Michael J. McMennamin |
|---|---|
| Frank Wobst | Michael J. McMennamin |
| Chairman | Vice Chairman, Chief Financial Officer, and Treasurer |

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

To the Board of Directors and Shareholders
Huntington Bancshares Incorporated

We have audited the accompanying consolidated balance sheets of Huntington Bancshares Incorporated and Subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Huntington Bancshares Incorporated and Subsidiaries at December 31, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Columbus, Ohio

January 18, 2001



CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

| (in thousands of dollars) | DECEMBER 31, 2000 | DECEMBER 31, 1999 |
|---|---|---|
| ASSETS | | |
| Cash and due from banks | $ 1,322,700 | $ 1,208,004 |
| Interest bearing deposits in banks | 4,970 | 6,558 |
| Trading account securities | 4,723 | 7,975 |
| Federal funds sold and securities purchased under resale agreements | 133,183 | 20,877 |
| Mortgages held for sale | 155,104 | 141,723 |
| Securities available for sale - at fair value | 4,090,525 | 4,870,203 |
| Investment securities - fair value $16,414 and $18,662, respectively | 16,336 | 18,765 |
| Total loans, net of unearned income | 20,610,191 | 20,668,437 |
| Less allowance for loan losses | 297,880 | 299,309 |
| Net loans | 20,312,311 | 20,369,128 |
| Bank owned life insurance | 804,941 | 765,399 |
| Premises and equipment | 454,844 | 438,871 |
| Customers' acceptance liability | 17,366 | 17,167 |
| Accrued income and other assets | 1,282,374 | 1,172,283 |
| TOTAL ASSETS | $ 28,599,377 | $ 29,036,953 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Deposits | | |
| Interest bearing | $ 16,272,279 | $ 16,266,283 |
| Non-interest bearing | 3,504,966 | 3,526,320 |
| Total Deposits | 19,777,245 | 19,792,603 |
| Short-term borrowings | 1,987,759 | 2,121,989 |
| Bank acceptances outstanding | 17,366 | 17,167 |
| Medium-term notes | 2,467,150 | 3,254,150 |
| Subordinated notes and other long-term debt | 870,976 | 697,677 |
| Company obligated mandatorily redeemable preferred capital securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company | 300,000 | 300,000 |
| Accrued expenses and other liabilities | 812,834 | 671,011 |
| Total Liabilities | 26,233,330 | 26,854,597 |
| Shareholders' equity | | |
| Preferred stock - authorized 6,617,808 shares; none issued or outstanding | -- | -- |
| Common stock - without par value; authorized 500,000,000 shares; issued 257,866,255 and 233,844,820 shares, respectively; outstanding 250,859,470 and 228,888,221 shares, respectively | 2,493,645 | 2,284,956 |
| Less 7,006,765 and 4,956,599 treasury shares, respectively | (129,432) | (137,268) |
| Accumulated other comprehensive loss | (24,520) | (94,093) |
| Retained earnings | 26,354 | 128,761 |
| Total Shareholders' Equity | 2,366,047 | 2,182,356 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 28,599,377 | $ 29,036,953 |

</TABLE>

See notes to consolidated financial statements.



CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

TWELVE MONTHS ENDED DECEMBER 31,

| (in thousands of dollars, except per share amounts) | 2000 | 1999 | 1998 |
| --- | --- | --- | --- |
| <S> | <C> | <C> | <C> |
| Interest and fee income | | | |
| Loans | $ 1,808,254 | $ 1,693,379 | $ 1,641,081 |
| Securities | 284,719 | 314,061 | 323,595 |
| Other | 15,532 | 18,562 | 34,688 |
| TOTAL INTEREST INCOME | 2,108,505 | 2,026,002 | 1,999,364 |
| Interest expense | | | |
| Deposits | 782,076 | 639,605 | 672,433 |
| Short-term borrowings | 113,134 | 114,289 | 97,656 |
| Medium-term notes | 189,311 | 170,061 | 164,590 |
| Subordinated notes and other long-term debt | 81,552 | 60,285 | 43,592 |
| TOTAL INTEREST EXPENSE | 1,166,073 | 984,240 | 978,271 |
| NET INTEREST INCOME | 942,432 | 1,041,762 | 1,021,093 |
| Provision for loan losses | 90,479 | 88,447 | 105,242 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 851,953 | 953,315 | 915,851 |
| Total non-interest income | 493,559 | 573,575 | 438,200 |
| Total non-interest expense | 885,617 | 912,119 | 913,929 |
| INCOME BEFORE INCOME TAXES | 459,895 | 614,771 | 440,122 |
| Provision for income taxes | 131,449 | 192,697 | 138,354 |
| NET INCOME | $ 328,446 | $ 422,074 | $ 301,768 |
| PER COMMON SHARE | | | |
| Net income | | | |
| Basic | $1.32 | $1.66 | $1.18 |
| Diluted | $1.32 | $1.65 | $1.17 |
| Cash dividends declared | $0.76 | $0.68 | $0.62 |
| AVERAGE COMMON SHARES | | | |
| Basic | 248,708,965 | 253,559,501 | 255,825,970 |
| Diluted | 249,570,098 | 255,646,520 | 258,279,601 |

</TABLE>

See notes to consolidated financial statements.



CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

| | COMMON | | TREASURY | |
|---|---|---|---|---|
| (in thousands, except per share amounts) | SHARES | STOCK | SHARES | STOCK |
| <S> | <C> | <C> | <C> | <C> |
| BALANCE -- JANUARY 1, 1998 | 193,279 | $ 1,933,003 | (1,543) | $ (36,791) |
| Comprehensive Income: | | | | |
| Net income | | | | |
| Unrealized net holding gains on securities available for sale arising during the period | | | | |
| Total comprehensive income | | | | |
| Stock issued for acquisition | | (3,815) | 160 | 3,883 |
| Cash dividends declared ($0.62 per share) | | | | |
| Stock options exercised | | (10,348) | 736 | 14,350 |
| 10% stock dividend | 19,317 | 218,871 | (83) | |
| Treasury shares purchased | | | (1,139) | (31,192) |
| Treasury shares sold to employee benefit plans | | 204 | 19 | 479 |
| BALANCE -- DECEMBER 31, 1998 | 212,596 | 2,137,915 | (1,850) | (49,271) |
| Comprehensive Income: | | | | |
| Net income | | | | |
| Unrealized net holding losses on securities available for sale arising during the period | | | | |
| Total comprehensive income | | | | |
| Cash dividends declared ($0.68 per share) | | | | |
| Stock options exercised | | (5,543) | 329 | 9,251 |
| 10% stock dividend | 21,249 | 152,584 | (304) | |
| Treasury shares purchased | | | (3,156) | (97,957) |
| Treasury shares sold to employee benefit plans | | | 24 | 709 |
| BALANCE -- DECEMBER 31, 1999 | 233,845 | 2,284,956 | (4,957) | (137,268) |
| COMPREHENSIVE INCOME: | | | | |
| NET INCOME | | | | |
| UNREALIZED NET HOLDING GAINS ON SECURITIES AVAILABLE FOR SALE ARISING DURING THE PERIOD | | | | |
| TOTAL COMPREHENSIVE INCOME | | | | |
| STOCK ISSUED FOR ACQUISITIONS | | (29,399) | 7,175 | 171,781 |
| CASH DIVIDENDS DECLARED ($0.76 PER SHARE) | | | | |
| STOCK OPTIONS EXERCISED | | (3,395) | 115 | 3,751 |
| 10% STOCK DIVIDEND | 24,021 | 241,483 | (1,182) | |
| TREASURY SHARES PURCHASED | | | (8,188) | (168,395) |
| TREASURY SHARES SOLD TO EMPLOYEE BENEFIT PLANS | | | 30 | 699 |
| BALANCE -- DECEMBER 31, 2000 | 257,866 | $ 2,493,645 | (7,007) | $ (129,432) |

</TABLE>
<TABLE>
<CAPTION>

| (in thousands, except per share amounts) | ACCUMULATED OTHER COMPREHENSIVE INCOME | RETAINED EARNINGS | TOTAL |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| BALANCE -- JANUARY 1, 1998 | $ 14,800 | 114,379 | $ 2,025,391 |
| Comprehensive Income: | | | |
| Net income | | 301,768 | 301,768 |
| Unrealized net holding gains on securities available for sale arising during the period | 9,893 | | 9,893 |
| Total comprehensive income | | | 311,661 |
| Stock issued for acquisition | | | 68 |
| Cash dividends declared ($0.62 per share) | | (161,447) | (161,447) |
| Stock options exercised | | | 4,002 |
| 10% stock dividend | | (219,242) | (371) |
| Treasury shares purchased | | | (31,192) |
| Treasury shares sold to employee benefit plans | | | 683 |
| BALANCE -- DECEMBER 31, 1998 | 24,693 | 35,458 | 2,148,795 |
| Comprehensive Income: | | | |
| Net income | | 422,074 | 422,074 |
| Unrealized net holding losses on securities available for sale arising during the period | (118,786) | | (118,786) |
| Total comprehensive income | | | 303,288 |
| Cash dividends declared ($0.68 per share) | | (175,836) | (175,836) |
| Stock options exercised | | | 3,708 |
| 10% stock dividend | | (152,935) | (351) |
| Treasury shares purchased | | | (97,957) |
| Treasury shares sold to employee benefit plans | | | 709 |
| BALANCE -- DECEMBER 31, 1999 | (94,093) | 128,761 | 2,182,356 |
| COMPREHENSIVE INCOME: | | | |
| NET INCOME | | 328,446 | 328,446 |
| UNREALIZED NET HOLDING GAINS ON SECURITIES AVAILABLE FOR SALE ARISING DURING THE PERIOD | 69,573 | | 69,573 |
| TOTAL COMPREHENSIVE INCOME | | | 398,019 |
| STOCK ISSUED FOR ACQUISITIONS | | | 142,382 |
| CASH DIVIDENDS DECLARED ($0.76 PER SHARE) | | (189,191) | (189,191) |
| STOCK OPTIONS EXERCISED | | | 356 |
| 10% STOCK DIVIDEND | | (241,662) | (179) |
| TREASURY SHARES PURCHASED | | | (168,395) |
| TREASURY SHARES SOLD TO EMPLOYEE BENEFIT PLANS | | | 699 |
| BALANCE -- DECEMBER 31, 2000 | $ (24,520) | $ 26,354 | $ 2,366,047 |

</TABLE>

See notes to consolidated financial statements.



CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

| | TWELVE MONTHS ENDED DECEMBER 31, | | |
|---|---|---|---|
| (in thousands of dollars) | 2000 | 1999 | 1998 |
| <S> | <C> | <C> | <C> |
| OPERATING ACTIVITIES | | | |
| Net Income | $ 328,446 | $ 422,074 | $ 301,768 |
| Adjustments to reconcile net income to net cash | | | |

| | | | |
|---|---|---|---|
| provided by operating activities | | | |
| Provision for loan losses | 90,479 | 88,447 | 105,242 |
| Provision for depreciation and amortization | 110,908 | 112,491 | 80,956 |
| Deferred income tax expense | 237,336 | 84,748 | 2,769 |
| Decrease (increase) in trading account securities | 3,252 | (4,136) | 3,243 |
| (Increase) decrease in mortgage loans held for sale | (13,381) | 324,941 | (273,716) |
| Net gains on sales of securities available for sale | (37,101) | (12,972) | (29,793) |
| Gains on sales of loans and loan securitizations | (4,853) | (108,623) | (9,903) |
| (Increase) decrease in accrued income receivable | (24,811) | (27,590) | 31,663 |
| Increase in other assets | (50,050) | (44,927) | (79,588) |
| (Decrease) increase in accrued expenses | (68,150) | (46,610) | 65,938 |
| Decrease in other liabilities | (46,153) | (48,171) | (121,150) |
| Special charges | 50,000 | 96,791 | 90,000 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 575,922 | 836,463 | 167,429 |
| INVESTING ACTIVITIES | | | |
| Decrease (increase) in interest bearing deposits in banks | 1,588 | 96,006 | (62,946) |
| Proceeds from: | | | |
| Maturities and calls of investment securities | 2,408 | 6,132 | 8,348 |
| Maturities and calls of securities available for sale | 415,571 | 651,716 | 1,356,659 |
| Sales of securities available for sale | 1,758,473 | 1,771,589 | 3,782,540 |
| Purchases of: | | | |
| Investment securities | --- | --- | (355) |
| Securities available for sale | (239,084) | (2,685,503) | (4,043,068) |
| Proceeds from sales of loans held for sale and loan securitizations | 1,556,093 | 686,548 | 142,801 |
| Net loan originations, excluding sales | (2,230,489) | (1,853,343) | (724,662) |
| Proceeds from sale of premises and equipment | 3,504 | 17,111 | 176,513 |
| Purchases of premises and equipment | (65,160) | (76,063) | (147,045) |
| Purchases of Bank Owned Life Insurance | --- | --- | (300,000) |
| Net cash received in purchase acquisitions | 12,004 | --- | 417,031 |
| Proceeds from sales of other real estate | 13,766 | 12,570 | 13,856 |
| NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES | 1,228,674 | (1,373,237) | 619,672 |
| FINANCING ACTIVITIES | | | |
| (Decrease) increase in total deposits | (443,921) | 69,880 | (495,638) |
| Decrease in short-term borrowings | (144,230) | (94,655) | (925,027) |
| Proceeds from issuance of long-term debt | 150,000 | --- | 300,000 |
| Maturity of long-term debt | --- | (10,000) | (90,038) |
| Proceeds from issuance of medium-term notes | 580,000 | 2,332,000 | 1,395,000 |
| Payment of medium-term notes | (1,367,000) | (1,617,750) | (1,187,250) |
| Proceeds from issuance of capital securities | --- | --- | 100,000 |
| Dividends paid on common stock | (185,103) | (171,858) | |

| | | | |
|---|---|---|---|
| | | | (157,632) |
| Repurchases of common stock | (168,395) | (97,957) | (31,192) |
| Proceeds from issuance of common stock | 1,055 | 4,417 | 4,685 |
| NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES | (1,577,594) | 414,077 | (1,087,092) |
| CHANGE IN CASH AND CASH EQUIVALENTS | 227,002 | (122,697) | (299,991) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 1,228,881 | 1,351,578 | 1,651,569 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | $ 1,455,883 | $ 1,228,881 | $ 1,351,578 |

</TABLE>

See notes to consolidated financial statements.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS: Huntington Bancshares Incorporated (Huntington) is a multi-state bank holding company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Through its subsidiaries, Huntington is engaged in full-service commercial and consumer banking, mortgage banking, lease financing, trust services, discount brokerage services, underwriting credit life and disability insurance, issuing commercial paper guaranteed by Huntington, and selling other insurance and financial products and services. Huntington's subsidiaries operate domestically in offices located in Florida, Georgia, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, South Carolina, and West Virginia. Huntington also has foreign offices in the Cayman Islands and Hong Kong.

BASIS OF PRESENTATION: The consolidated financial statements include the accounts of Huntington and its subsidiaries and are presented in conformity with accounting principles generally accepted in the United States (GAAP). All significant intercompany accounts and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current year's presentation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

SEGMENT RESULTS: Accounting policies for the lines of business are the same as those used in the preparation of the consolidated financial statements with respect to activities specifically attributable to each business line. However, the preparation of business line results requires management to establish methodologies to allocate funding costs and benefits, expenses, and other financial elements to each line of business.

SECURITIES: Securities purchased with the intention of recognizing short-term profits are classified as trading account securities and reported at fair value. Unrealized gains or losses on trading securities are reported in earnings. Debt securities that Huntington has both the positive intent and ability to hold to maturity are classified as investment securities and are reported at amortized cost. Securities not classified as trading or investments are designated available for sale and reported at fair value. Unrealized gains or losses on securities available for sale are reported as a separate component of accumulated other comprehensive income in shareholders' equity. The amortized cost of specific securities sold is used to compute realized gains and losses.

LOANS: Loans are reported net of unearned income at the principal amount outstanding. Interest income is primarily accrued based on unpaid principal balances as earned. Net direct loan origination costs/fees, when material, are deferred and amortized over the term of the loan as a yield adjustment.

LEASES: Leases are stated at the sum of all minimum lease payments and estimated residual values less unearned income. Unearned income is recognized in interest income on a basis to achieve a constant periodic rate of return on the outstanding investment.

NONACCRUAL LOANS: Commercial and real estate loans are placed on non-accrual status and stop accruing interest when collection of principal or interest is in doubt. When interest accruals are suspended, accrued interest income is reversed with current year accruals charged to earnings and prior year amounts generally charged off as a credit loss. Consumer loans are not placed on non-accrual status; rather they are charged off in accordance with regulatory statutes. Huntington uses the cost recovery method in accounting for cash received on non-accrual loans. Under this method, cash receipts are applied

entirely against principal until the loan has been collected in full, after which time any additional cash receipts are recognized as interest income.

ALLOWANCE FOR LOAN LOSSES: The allowance for loan losses reflects management's judgment as to the level considered appropriate to absorb inherent losses in the loan portfolio. This judgment is based on a review of individual loans, historical loss experience, economic conditions, portfolio trends, and other factors. The allowance is increased by provisions charged to earnings and reduced by charge-offs, net of recoveries.

The portion of the allowance for loan losses related to impaired loans (non-accruing and restructured credits, exclusive of smaller, homogeneous loans) is based on discounted cash flows using the loans initial effective interest rate or the fair value of the collateral for collateral-dependent loans.

MORTGAGE BANKING ACTIVITIES: Mortgages held for sale are primarily composed of 1-to-4-family residential mortgage loans and are carried at the lower of cost or market as determined on an aggregate basis by type of loan. Market value is determined primarily by outstanding commitments from investors.

Capitalized mortgage servicing rights (MSRs) are evaluated for impairment based on the fair value of those rights, using a disaggregated approach. MSRs are amortized on an accelerated basis over the estimated period of net servicing revenue.





OTHER REAL ESTATE: Other real estate acquired through partial or total satisfaction of loans, is included in other assets and carried at the lower of cost or fair value less estimated costs of disposition. At the date of acquisition, any losses are charged to the allowance for loan losses. Subsequent write-downs are included in non-interest expense. Realized losses from disposition of the property and declines in fair value that are considered permanent are charged to the reserve for other real estate, as applicable.

PREMISES AND EQUIPMENT: Premises and equipment are stated at cost, less accumulated depreciation. Depreciation is computed principally by the straight-line method over the estimated useful lives of the related assets. Estimated useful lives employed are on average 30 years for buildings, 10 to 20 years for building improvements, 10 years for land improvements, 3 to 7 years for equipment, and 10 years for furniture and fixtures.

BUSINESS COMBINATIONS: Net assets of entities acquired, for which the purchase method of accounting was used by Huntington, were recorded at their estimated fair value at the date of acquisition. The excess of cost over the fair value of net assets acquired (goodwill) is being amortized over periods generally up to 25 years. Core deposits and other identifiable acquired intangible assets are amortized over their estimated useful lives. Management reviews goodwill and other intangible assets arising from business combinations for impairment whenever a significant event occurs that adversely affects operations or when changes in circumstances indicate that the carrying value may not be recoverable. Such reviews for impairment are measured using estimates of the discounted future earnings potential of the entity or assets acquired.

STATEMENT OF CASH FLOWS: Cash and cash equivalents are defined as "Cash and due from banks" and "Federal funds sold and securities purchased under resale agreements." Interest payments made by Huntington were $1,176 million, $988 million, and $996 million in 2000, 1999, and 1998, respectively. Federal income tax payments were $1.2 million in 2000, $80.8 million in 1999, and $77.4 million in 1998.

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## NOTE 2 DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Huntington uses certain off-balance sheet financial instruments, principally interest rate swaps, in connection with its asset/liability management activities. Interest rate options (including caps and floors), futures, and forwards are also used to manage interest rate risk. Provided these instruments meet specific criteria, they are considered hedges and accounted for under the accrual or deferral methods, as more fully discussed below. Off-balance sheet financial instruments that do not meet the required criteria are carried on the balance sheet at fair value with realized and unrealized changes in that value recognized in earnings. Similarly, if the hedged item is sold or its outstanding balance otherwise declines below that of the related hedging instrument, the off-balance sheet product is marked-to-market and the resulting gain or loss is included in earnings. Accrual accounting is used when the cash flows attributable to the hedging instrument satisfy the objectives of the asset/liability management strategy. Huntington uses the accrual method for substantially all of its interest rate swaps as well as for interest rate options. Amounts receivable or payable under these agreements are recognized as an adjustment to the interest income or expense of the hedged item. There is no recognition on the balance sheet for changes in the fair value of the hedging instrument, except for interest rate swaps designated as hedges of securities available for sale, for which changes in fair values are reported in accumulated other comprehensive income. Premiums paid for interest rate options are deferred as a component of other assets and amortized to interest income or expense over the contract term. Gains and losses on terminated hedging instruments are also deferred and amortized to interest income or expense generally over the

remaining life of the hedged item.

Huntington employs deferral accounting when the market value of the hedging instrument meets the objectives of the asset/liability management strategy and the hedged item is reported at other than fair value. In such cases, gains and losses associated with futures and forwards are deferred as an adjustment to the carrying value of the related asset or liability and are recognized in the corresponding interest income or expense accounts over the remaining life of the hedged item.

Financial Accounting Standards Board Statement (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended, established accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. This Statement requires that a company formally document, designate, and assess the effectiveness of transactions for which hedge accounting is applied. Depending on the nature of the hedge and the extent to which it is effective, the changes in fair value of the derivative recorded through earnings will either be offset against the change in the fair value of the





hedged item in earnings or recorded in comprehensive income and subsequently recognized in earnings in the period the hedged item affects earnings. The portion of a hedge that is ineffective and all changes in the fair value of derivatives not designated as hedges will be recognized immediately in earnings.

Huntington adopted Statement No. 133, as amended, on January 1, 2001. At that time, Huntington designated its portfolio of derivative financial instruments used for risk management purposes into hedging relationships as required by the standard. Derivatives used to hedge changes in fair value of assets and liabilities due to changes in interest rates or other factors were designated as fair value hedges and those used to hedge changes in forecasted cash flows, due generally to interest rate risk, were designated as cash flow hedges. The impact of implementing the new standard requires transition adjustments to be recorded and reflected as cumulative effect adjustments, as promulgated by Accounting Principles Board Opinion No. 20, "Accounting Changes", in the 2001 Consolidated Financial Statements. The after-tax transition adjustment was immaterial to net income and reduced other comprehensive income $9.1 million.

---

NOTE 3 SECURITIES

Amortized cost, unrealized gains and losses, and fair values of securities available for sale as of December 31, 2000 and 1999, were:

| (in thousands of dollars) | AMORTIZED COST | UNREALIZED GROSS GAINS | UNREALIZED GROSS LOSSES | FAIR VALUE |
|---|---|---|---|---|
| AT DECEMBER 31, 2000 | | | | |
| U.S. Treasury | $ 10,282 | $ 446 | $ - | $ 10,728 |
| Federal Agencies | | | | |
| Mortgage-backed securities | 1,538,640 | 7,072 | 13,811 | 1,531,901 |
| Other agencies | 1,762,209 | 1,167 | 21,974 | 1,741,402 |
| Total U.S. Treasury and Federal Agencies | 3,311,131 | 8,685 | 35,785 | 3,284,031 |
| Other Securities | 817,352 | 9,892 | 20,750 | 806,494 |
| Total securities available for sale | $4,128,483 | $ 18,577 | $ 56,535 | $4,090,525 |

| | | | | |
|---|---|---|---|---|
| AT DECEMBER 31, 1999 | | | | |
| U.S. Treasury | $ 528,227 | $ --- | $ 31,586 | $ 496,641 |
| Federal Agencies | | | | |
| Mortgage-backed securities | 1,665,411 | 5 | 64,084 | 1,601,332 |
| Other agencies | 2,155,922 | 55 | 88,608 | 2,067,369 |
| Total U.S. Treasury and Federal Agencies | 4,349,560 | 60 | 184,278 | 4,165,342 |
| Other Securities | 666,511 | 58,463 | 20,113 | 704,861 |
| Total securities available for sale | $ 5,016,071 | $ 58,523 | $ 204,391 | $ 4,870,203 |

</TABLE>

Contractual maturities of securities available for sale as of December 31, 2000 and 1999, were:

<TABLE>
<CAPTION>

| | 2000 | | 1999 | |
|---|---|---|---|---|
| (in thousands of dollars) | AMORTIZED COST | FAIR VALUE | AMORTIZED COST | FAIR VALUE |
| <S> | <C> | <C> | <C> | <C> |
| Under 1 year | $ 42,553 | $ 42,205 | $ 25,726 | $ 25,653 |
| 1 - 5 years | 1,247,058 | 1,236,793 | 1,094,096 | 1,061,795 |
| 6 - 10 years | 264,412 | 261,421 | 1,132,691 | 1,069,151 |
| Over 10 years | 2,486,786 | 2,458,037 | 2,722,915 | 2,616,426 |
| Marketable equity securities | 87,674 | 92,069 | 40,643 | 97,178 |
| Total | $ 4,128,483 | $ 4,090,525 | $ 5,016,071 | $ 4,870,203 |

</TABLE>



NOTE 3 SECURITIES (CONTINUED)

Gross gains from sales of securities of $66.5 million, $37.0 million, and $41.5 million were realized in 2000, 1999, and 1998, respectively. Gross losses totaled $29.4 million in 2000, $24.0 million in 1999, and $11.7 million in 1998.

Amortized cost, unrealized gains and losses, and fair values of investment securities as of December 31, 2000 and 1999, were:

<TABLE>
<CAPTION>

| | | UNREALIZED | | |
|---|---|---|---|---|
| (in thousands of dollars) | AMORTIZED COST | GROSS GAINS | GROSS LOSSES | FAIR VALUE |
| <S> | <C> | <C> | <C> | <C> |
| AT DECEMBER 31, 2000 | | | | |
| U.S. Treasury and Federal Agencies | $ --- | $ --- | $ --- | $ --- |
| States and political subdivisions | 16,336 | 140 | 62 | 16,414 |
| Total investment securities | $ 16,336 | $ 140 | $ 62 | $ 16,414 |

| | | | | |
|---|---|---|---|---|
| AT DECEMBER 31, 1999 | | | | |
| U.S. Treasury and Federal Agencies | $ --- | $ --- | $ --- | $ --- |
| States and political subdivisions | 18,765 | 78 | 181 | 18,662 |
| Total investment securities | $ 18,765 | $ 78 | $ 181 | $ 18,662 |

</TABLE>

Amortized cost and fair values by contractual maturity at December 31, 2000 and 1999, were:

<TABLE>
<CAPTION>

| | 2000 | | 1999 | |
|---|---|---|---|---|
| (in thousands of dollars) | AMORTIZED COST | FAIR VALUE | AMORTIZED COST | FAIR VALUE |
| Under 1 year | $ 3,139 | $ 3,115 | $ 2,410 | $ 2,389 |
| 1 - 5 years | 10,536 | 10,578 | 12,911 | 12,855 |
| 6 - 10 years | 2,193 | 2,234 | 2,872 | 2,859 |
| Over 10 years | 468 | 487 | 572 | 559 |
| Total | $16,336 | $16,414 | $18,765 | $18,662 |

</TABLE>

NOTE 4 LOANS

At December 31, 2000 and 1999, loans were comprised of the following:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 |
|---|---|---|
| Commercial (unearned income of $1,538 and $2,550) | $ 6,633,985 | $ 6,300,414 |
| Real estate | | |
| Construction | 1,318,899 | 1,236,776 |
| Commercial | 2,253,477 | 2,151,673 |
| Consumer | | |
| Loans (unearned income of $4,150 and $5,974) | 6,388,036 | 6,793,295 |
| Leases (unearned income of $515,445 and $410,239) | 3,069,210 | 2,741,735 |
| Residential Mortgage | 946,584 | 1,444,544 |
| Total loans | $ 20,610,191 | $ 20,668,437 |

</TABLE>



NOTE 4 LOANS (CONTINUED)

During 2000, Huntington securitized $780 million of residential mortgage loans during the year. Huntington initially retained all of the resulting securities and accordingly, reclassified the securitized amount from loans to securities available for sale.

During 1999, Huntington sold its credit card portfolio of approximately $541 million in receivables, resulting in a net gain of $108.5 million. In 1998,

Huntington exited its out-of-market credit card operations through the sale of approximately $90 million of credit card receivables, resulting in a $9.5 million net gain.

RELATED PARTY TRANSACTIONS

Huntington's subsidiaries have granted loans to their officers, directors, and their associates. Such loans were made in the ordinary course of business under normal credit terms, including interest rate and collateralization, and to not represent more than the normal risk of collection. These loans to related parties are summarized as follows:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 |
|---|---|---|
| Balance, beginning of year | $ 130,090 | $ 132,169 |
| Loans made | 418,088 | 166,064 |
| Repayments | (412,809) | (146,116) |
| Changes due to status of executive officers and directors | 10,392 | (22,027) |
| Balance, end of year | $ 145,761 | $ 130,090 |

</TABLE>

NOTE 5 LOAN SECURITIZATIONS

During 2000, Huntington sold $1.7 billion of automobile loans in securitization transactions and recognized net gains of $4.9 million, which were included in the "other" component of non-interest income. As required by SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", gains and losses on loan securitizations are determined at the time of sale based on a present value calculation of expected future cash flows from the underlying loans net of interest payments to security holders. The calculation includes assumptions for market interest rates, loan losses, and prepayment rates. These net cash flows are recorded as a retained interest in securitized assets (retained interest) and included in securities available for sale. An asset is also established at the time of sale equal to the fair value of the servicing rights and recorded in other assets.

At December 31, 2000, the fair values of the retained interest and the servicing asset related to automobile loan securitizations were $134.1 million and $22.7 million, respectively. Management periodically reviews the assumptions underlying these values. If these assumptions change, the related asset and income would be affected.

The key assumptions used to measure the fair value of the retained interest at the time of securitization included: a monthly prepayment rate of 1.54%, a weighted average loan life of 24 months, expected annual credit losses of 0.92%, a discount rate of 10%, and a coupon rate on variable rate securities of 6.83%

At December 31, 2000, the assumptions and the sensitivity of the current fair value of the retained interest to immediate 10% and 20% adverse changes in those assumptions were as follows:

| | | Decline in fair value due to | |
|---|---|---|---|
| (in millions of dollars) | Actual | 10% adverse change | 20% adverse change |
| Monthly prepayment rate | 1.54% | $ 2.1 | $ 4.2 |
| Expected annual credit losses | 0.92% | 2.3 | 4.6 |
| Discount rate | 10.00% | 2.7 | 5.4 |
| Interest rate on variable securities | 5.78% | 9.0 | 18.2 |



NOTE 5 LOAN SECURITIZATIONS (CONTINUED)

Caution should be used when reading these sensitivities as a change in an individual assumption and its impact on fair value is shown independent of changes in other assumptions. Economic factors are dynamic and may counteract or magnify sensitivities.

Quantitative information about delinquencies, net loan losses, and components of managed automobile loans follows:

| (in millions of dollars) | 2000 |
|---|---|
| Loans at December 31, 2000: | |
| Loans held in portfolio | $ 2,508 |
| Loans securitized | 1,371 |
| Total managed loans | $ 3,878 |
| Net loan losses as a % of average managed loans | 0.97% |
| Delinquencies (30 days or more) as a percent of year-end managed loans | 3.64% |

NOTE 6 ALLOWANCE FOR LOAN LOSSES

A summary of the transactions in the allowance for loan losses and details regarding impaired loans follows for the three years ended December 31:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 | 1998 |
|---|---|---|---|
| BALANCE, BEGINNING OF YEAR | $ 299,309 | $ 290,948 | $ 258,171 |
| Allowance of assets acquired | 7,900 | --- | 22,042 |
| Loan losses | (110,845) | (112,291) | (126,355) |
| Recoveries of loans previously charged off | 27,756 | 32,205 | 31,848 |
| Allowance of securitized loans | (16,719) | --- | --- |
| Provision for loan losses | 90,479 | 88,447 | 105,242 |
| BALANCE, END OF YEAR | $ 297,880 | $ 299,309 | $ 290,948 |
| RECORDED BALANCE OF IMPAIRED LOANS, AT END OF YEAR (1): | | | |
| With related allowance for loan losses | $ 51,693 | $ 8,897 | $ 13,277 |
| With no related allowance for loan losses | 5,261 | 30,594 | 18,340 |
| Total | $ 56,954 | $ 39,491 | $ 31,617 |
| AVERAGE BALANCE OF IMPAIRED LOANS FOR THE YEAR (1) | $ 33,705 | $ 30,663 | $ 32,547 |
| ALLOWANCE FOR LOAN LOSS RELATED TO IMPAIRED LOANS (1) | $ 12,944 | $ 4,523 | $ 4,459 |

</TABLE>

(1) Includes impaired loans with outstanding balances of greater than $500,000.



NOTE 7 PREMISES AND EQUIPMENT

At December 31, 2000 and 1999, premises and equipment stated at cost were comprised of the following:

<TABLE>

<CAPTION>

| (in thousands of dollars) | 2000 | 1999 |
| --- | --- | --- |
| Land and land improvements | $ 77,710 | $ 73,989 |
| Buildings | 273,974 | 257,738 |
| Leasehold improvements | 114,416 | 104,631 |
| Equipment | 463,227 | 426,930 |
| Total premises and equipment | 929,327 | 863,288 |
| Less accumulated depreciation and amortization | 474,483 | 424,417 |
| NET PREMISES AND EQUIPMENT | $ 454,844 | $ 438,871 |

Depreciation and amortization charged to expense and rental income credited to occupancy expense were:

| (in thousands of dollars) | 2000 | 1999 | 1998 |
| --- | --- | --- | --- |
| Total depreciation and amortization of premises and equipment | $ 49,117 | $ 42,733 | $ 41,608 |
| Rental income credited to occupancy expense | $ 16,030 | $ 12,896 | $ 13,133 |

</TABLE>

In 1998, Huntington entered into a sale/leaseback arrangement that included the sale of 59 properties with a book value approximating $110 million. This arrangement included a mix of branch bank regional offices, and operations facilities, each of which is being leased back to The Huntington National Bank. The proceeds of $174.1 million received from the transaction were used to reduce short-term debt. The resulting deferred gain is being amortized as a reduction of occupancy expense over the lease term.

---

## NOTE 8 SHORT-TERM BORROWINGS

At December 31, 2000 and 1999, short-term borrowings were comprised of the following:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 |
| --- | --- | --- |
| Federal funds purchased and securities sold under agreements to repurchase | $ 1,822,480 | $2,065,192 |
| Commercial paper | 98,186 | 10,832 |
| Other | 67,093 | 45,965 |
| TOTAL SHORT-TERM BORROWINGS | $ 1,987,759 | $2,121,989 |

Information concerning securities sold under agreements to repurchase is summarized as follows:

| (in thousands of dollars) | 2000 | 1999 |
|---|---|---|
| Average balance during the year | $ 1,203,281 | $1,409,106 |
| Average interest rate during the year | 5.34% | 4.10% |
| Maximum month-end balance during the year | $ 1,328,677 | $1,687,186 |

</TABLE>

Commercial paper is issued by Huntington Bancshares Financial Corporation, a non-bank subsidiary, with principal and interest guaranteed by Huntington Bancshares Incorporated (Parent Company).

Huntington has the ability to borrow under a line of credit totaling $140 million from a group of unaffiliated banks to support commercial paper borrowings or other short-term working capital needs. Under the terms of the agreement, a quarterly facility fee must be paid and there are no compensating balances required. The line is cancelable by Huntington upon written notice and terminates November 29, 2001. There were no borrowings in 2000.

Securities pledged to secure public or trust deposits, repurchase agreements, and for other purposes were $3.0 billion and $3.3 billion at December 31, 2000 and 1999, respectively.



NOTE 9 MEDIUM- AND LONG-TERM DEBT

At December 31, 2000 and 1999, Huntington's debt, net of unamortized discount, consisted of the following:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 |
|---|---|---|
| <S> | <C> | <C> |
| MEDIUM-TERM | | |
| Subsidiary bank (maturing through 2005) | $2,442,150 | $ 3,254,150 |
| Parent company | 25,000 | --- |
| TOTAL MEDIUM-TERM DEBT | 2,467,150 | 3,254,150 |
| LONG-TERM | | |
| Parent company: | | |
| 7 7/8% subordinated notes due 2002 | 149,760 | 149,633 |
| Subsidiary bank: | | |
| 7 5/8 % subordinated notes due 2003 | 149,860 | 149,792 |
| 6 3/4% subordinated notes due 2003 | 99,919 | 99,886 |
| 6 3/5% subordinated notes due 2018 | 198,455 | 198,366 |
| Floating rate subordinated notes due 2008 | 100,000 | 100,000 |
| 8% subordinated notes due 2010 | 147,982 | --- |
| Total subordinated notes | 845,976 | 697,677 |
| Federal Home Loan Bank notes | 25,000 | --- |
| TOTAL LONG-TERM DEBT | 870,976 | 697,677 |
| TOTAL DEBT | $3,338,126 | $ 3,951,827 |

</TABLE>

The parent company medium-term notes were issued in 2000 and mature in 2001. Interest is paid quarterly at a variable rate based on the three-month London Interbank Offered Rate (LIBOR). At December 31, 2000, the effective interest rate was 6.75%. The parent company 7 7/8% subordinated notes carry a fixed rate of interest which is payable semi-annually. They are not redeemable prior to maturity in 2002, and do not provide for any sinking fund.

The subsidiary bank's floating rate subordinated notes were issued in 1998 and are based on three-month LIBOR. At December 31, 2000, these notes carried an interest rate of 7.17%.

Long-term advances from the Federal Home Loan Bank are at fixed interest rates ranging from 5.76% to 6.71% and have maturities ranging from 2001 to 2004. The weighted average interest rate of these advances at December 31, 2000, was 6.22%. Advances from the Federal Home Loan Bank are collateralized by qualifying securities.

The majority of Huntington's fixed-rate debt has been effectively converted to variable-rate debt with the use of off-balance sheet derivatives, principally through interest rate swaps. As a result, the weighted average interest-rate swap adjusted rate for Medium-term notes at December 31, 2000, and 1999, was 6.68% and 5.84%, respectively. Based on face value, the weighted average interest rate swap adjusted rate for subordinated notes was 7.15% at December 31, 2000, and 6.32% at the end of 1999.

The terms of Huntington's medium and long-term debt obligations contain various restrictive covenants including limitations on the acquisition of additional debt in excess of specified levels, dividend payments, and the disposition of subsidiaries. As of December 31, 2000, Huntington was in compliance with all such covenants.

Medium- and long-term debt maturities for the next five years are as follows: $1,288.0 million in 2001; $686.2 million in 2002; $500.0 million in 2003; $133.0 million in 2004; $285.0 million in 2005; and, $450.0 million thereafter.



NOTE 10 CAPITAL SECURITIES

The Company obligated mandatorily redeemable preferred capital securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company ("Capital Securities") were issued by two business trusts, Huntington Capital I and II ("the Trusts"). Huntington Capital I was formed in January 1997 while Huntington Capital II was formed in June 1998. The proceeds from the issuance of the capital and common securities were used to purchase debentures of the parent company. The Trusts hold solely junior subordinated debentures of the parent company and are the only assets of the Trusts. Both the debentures and related income statement effects are eliminated in Huntington's consolidated financial statements.

The parent company has entered into contractual arrangements that, taken collectively and in the aggregate, constitute a full and unconditional guarantee by the parent company of the Trusts' obligations under the capital securities issued. The contractual arrangements guarantee payment of (a) accrued and unpaid distributions required to be paid on the Capital Securities; (b) the redemption price with respect to any capital securities called for redemption by Huntington Capital I or II; and (c) payments due upon voluntary or involuntary liquidation, winding-up, or termination of Huntington Capital I or II. The capital and common securities, and related debentures are summarized as follows:

<TABLE>
<CAPTION>

| | DECEMBER 31, 2000 | | | | |
|---|---|---|---|---|---|
| (in thousands of dollars) | Capital Securities | Common Securities | Principal Amount of Debentures | Interest Rate of Securities and Debentures | Maturity of Capital Securities and Debentures |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Huntington Capital I | $ 200,000 | $6,186 | $ 206,186 | LIBOR + .70%(1) | 02/01/2027 |
| Huntington Capital II | 100,000 | 3,093 | 103,093 | LIBOR + .625%(2) | 06/15/2028 |
| Total | $ 300,000 | $9,279 | $ 309,279 | | |

(1) Variable effective rate at December 31, 2000 and 1999, of 7.46% and 6.91%, respectively.
(2) Variable effective rate at December 31, 2000 and 1999, of 7.21% and 6.75%, respectively.
</TABLE>

---

NOTE 11 STOCK-BASED COMPENSATION

Huntington sponsors nonqualified and incentive stock option plans covering

key employees. Approximately 23.9 million shares have been authorized under the plans, 3.7 million of which were available at December 31, 2000 for future grants. All options granted have a maximum term of ten years. Options that were granted in the most recent three years vest ratably over three years while those granted in 1994 through 1997 vest ratably over four years. All grants preceding 1994 became fully exercisable after one year.

The fair value of the options granted, as presented below, was estimated at the date of grant using a Black-Scholes option-pricing model. The weighted average expected option life of six years was used in all periods presented. The other weighted-average assumptions used were:

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| Risk-free rate | 6.14% | 5.60% | 5.28% |
| Dividend Yield | 4.37% | 2.63% | 2.59% |
| Volatility factors of the expected market price of Huntington's common stock | 45.1% | 39.7% | 26.2% |





Huntington's stock option activity and related information for the three years ended December 31 is summarized below:

<TABLE>
<CAPTION>

| | 2000 | | 1999 | | 1998 | |
|---|---|---|---|---|---|---|
| | OPTIONS (IN 000'S) | WEIGHTED-AVERAGE EXERCISE PRICE | Options (in 000's) | Weighted-Average Exercise Price | Options (in 000's) | Weighted-Average Exercise Price |
| Outstanding at beginning of year | 7,719 | $20.07 | 6,245 | $16.36 | 6,555 | $ 12.63 |
| Granted /Acquired | 2,526 | 16.10 | 2,356 | 27.66 | 1,505 | 25.55 |
| Exercised | (298) | 8.15 | (612) | 9.56 | (1,547) | 9.03 |
| Forfeited/Expired | (465) | 22.69 | (270) | 24.35 | (268) | 18.86 |
| Outstanding at end of year | 9,482 | $19.26 | 7,719 | $20.07 | 6,245 | $ 16.36 |
| Exercisable at end of year | 5,399 | $18.18 | 4,331 | $15.35 | 3,848 | $ 12.89 |
| Weighted-average fair value of options granted during the year | | $ 5.58 | | $10.20 | | $ 7.10 |

</TABLE>

Additional information regarding options outstanding as of December 31, 2000, is as follows:

<TABLE>
<CAPTION>

| | Options Outstanding | | | Exercisable Options | |
|---|---|---|---|---|---|
| | | Weighted- | | | |

| Range of Exercise Price | Shares (in 000s) | Average Remaining Contractual Life (Years) | Weighted-Average Exercise Price | Shares (in 000s) | Weighted-Average Exercise Price |
|---|---|---|---|---|---|
| $4.17 to $10.50 | 749 | 1.4 | $ 7.71 | 749 | $ 7.71 |
| $10.51 to $16.50 | 3,082 | 6.4 | 14.09 | 1,915 | 13.26 |
| $16.51 to $22.50 | 2,073 | 8.2 | 18.13 | 758 | 19.35 |
| $22.51 to $28.35 | 3,578 | 8.0 | 26.78 | 1,977 | 26.47 |
| Total | 9,482 | 7.0 | $ 19.26 | 5,399 | $ 18.18 |

</TABLE>

Huntington has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) and related interpretations in accounting for its employee stock options because the alternative fair value accounting provided for under FASB Statement No. 123 (FAS 123), "Accounting for Stock-Based Compensation", requires use of option valuation models that were not developed for use in valuing employee stock options. Under APB 25, because the exercise price of Huntington's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

As permissible under FAS 123, Huntington is presenting the following pro forma disclosures for net income and earnings per diluted common share as if the fair value method of accounting had been applied in measuring compensation costs for stock options. The Black-Scholes option pricing model assumes that the estimated fair value of the options is amortized over the options' vesting periods and the compensation costs would be included in personnel expense on the income statement. Pro forma net income was $318.1 million, or $1.27 per share, for 2000; $414.7 million, or $1.62 per share, for 1999; and $297.8 million, or $1.15 per share for 1998.



NOTE 12 BENEFIT PLANS

Huntington sponsors a non-contributory defined benefit pension plan covering substantially all employees. The plan provides benefits based upon length of service and compensation levels. The funding policy of Huntington is to contribute an annual amount which is at least equal to the minimum funding requirements but not more than that deductible under the Internal Revenue Code. Plan assets, held in trust, primarily consist of mutual funds.

Huntington's unfunded defined benefit post-retirement plan provides certain health care and life insurance benefits to retired employees who have attained the age of 55 and have at least 10 years of service. For any employee retiring on or after January 1, 1993, post-retirement healthcare and life insurance benefits are based upon the employee's number of months of service and are limited to the actual cost of coverage.

The following table reconciles the funded status of the pension plan and the post-retirement benefit plan at the applicable September 30 measurement dates with the amounts recognized in the consolidated balance sheet at December 31:

<TABLE>
<CAPTION>

| | PENSION BENEFITS | | POST-RETIREMENT BENEFITS | |
|---|---|---|---|---|
| (in thousands of dollars) | 2000 | 1999 | 2000 | 1999 |
| Projected benefit obligation at beginning of measurement year | $ 210,894 | $ 198,541 | $ 48,414 | $ 46,451 |
| Changes due to: | | | | |
| Service cost | 10,241 | 11,081 | 1,544 | 1,494 |
| Interest cost | 15,509 | 13,622 | 3,506 | 3,249 |
| Benefits paid | (15,959) | (18,227) | (2,904) | (3,130) |
| Plan amendments | --- | 12,049 | --- | |

(549)

| | | | | |
|---|---|---|---|---|
| Actuarial assumptions | (10,731) | (6,172) | (5,654) | 899 |
| Total changes | (940) | 12,353 | (3,508) | 1,963 |
| Projected benefit obligation at end of measurement year | 209,954 | 210,894 | 44,906 | 48,414 |
| Fair value of plan assets at beginning of measurement year | 177,694 | 179,727 | --- | --- |
| Changes due to: | | | | |
| Actual return on plan assets | 5,201 | 16,194 | --- | --- |
| Employer contribution | 40,000 | --- | --- | --- |
| Benefits paid | (15,959) | (18,227) | --- | --- |
| Total changes | 29,242 | (2,033) | --- | --- |
| Fair value of plan assets at end of measurement year | 206,936 | 177,694 | --- | --- |
| Projected benefit obligation greater than plan assets | (3,018) | (33,200) | (44,906) | (48,414) |
| Unrecognized net actuarial (gain) loss | 879 | (1,978) | (6,168) | (575) |
| Unrecognized prior service cost | 114 | (204) | 7,143 | 7,836 |
| Unrecognized transition (asset) liability, net of amortization | (831) | (1,156) | 15,129 | 16,390 |
| Accrued liability at measurement date | (2,856) | (36,538) | (28,802) | (24,763) |
| Fourth quarter contribution | --- | 40,000 | --- | --- |
| Prepaid (accrued) liability at end of year | $ (2,856) | $ 3,462 | $ (28,802) | $ (24,763) |
| Weighted-average assumptions at September 30: | | | | |
| Discount rate | 7.75% | 7.50% | 7.75% | 7.50% |
| Expected return on plan assets | 9.25% | 9.25% | N/A | N/A |
| Rate of compensation increase | 5.00% | 5.00% | N/A | N/A |

</TABLE>





The following table shows the components of pension cost recognized in the most recent three years:

<TABLE>
<CAPTION>

| | PENSION BENEFITS | | | POST-RETIREMENT BENEFITS | |
|---|---|---|---|---|---|
| (in thousands of dollars) | 2000 | 1999 | 1998 | 2000 | 1999 |

| 1998 | | | | | | |
|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Service cost | $10,241 | $ 11,081 | $ 11,979 | $1,544 | $ 1,494 | $ 1,410 |
| Interest cost | 15,509 | 13,622 | 12,897 | 3,506 | 3,249 | 3,080 |
| Expected return on plan assets | (18,947) | (16,906) | (16,447) | --- | --- | --- |
| Amortization of transition asset | (325) | (389) | (442) | 1,261 | 1,261 | 1,261 |
| Amortization of prior service cost | (318) | (1,326) | (1,326) | 693 | 694 | 670 |
| Recognized net actuarial gain | 158 | (1,336) | (2,669) | --- | --- | (52) |
| Benefit cost | $ 6,318 | $ 4,746 | $ 3,992 | $7,004 | $ 6,698 | $ 6,369 |

</TABLE>

The 2001 health care cost trend rate was projected to be 7.00% for pre-65 participants and 6.50% for post-65 participants compared with estimates of 7.75% and 7.00% in 2000. These rates are assumed to decrease gradually until they reach 4.75% in the year 2006 and remain at that level thereafter.

The assumed health care cost trend rate has a significant effect on the amounts reported. A one-percentage point increase would increase service and interest costs and the post-retirement benefit obligation by $142,000 and $1.5 million, respectively. A one-percentage point decrease would reduce service and interest costs by $146,000 and the post-retirement benefit obligation by $1.4 million.

Huntington also sponsors an unfunded Supplemental Executive Retirement Plan, a nonqualified plan that provides certain key officers of Huntington and its subsidiaries with defined pension benefits in excess of limits imposed by federal tax law. At December 31, 2000 and 1999, the accrued pension liability for this plan totaled $12.9 million and $10.7 million, respectively. Pension expense for the plan was $2.5 million in 2000, $1.1 million in 1999, and $1.2 million in 1998.

Huntington has a defined contribution plan that is available to eligible employees. Matching contributions by Huntington equal 100% on the first 3% and 50% on the next 2% of participant elective deferrals. The cost of providing this plan was $7.9 million in 2000, $7.5 million in 1999, and $8.3 million in 1998.

---

NOTE 13 COMPREHENSIVE INCOME

The components of Other Comprehensive Income were as follows in each of the three years ended December 31:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 | 1998 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| Unrealized holding gains (losses) arising during the period: | | | |
| Unrealized net gains (losses) | $ 145,011 | $(171,093) | $ 45,095 |
| Related tax (expense) benefit | (51,323) | 60,738 | (15,837) |
| Net | 93,688 | (110,355) | 29,258 |
| Less: Reclassification adjustment for net gains realized during the period: | | | |
| Realized net gains | 37,101 | 12,972 | 29,793 |
| Related tax expense | (12,986) | (4,541) | (10,428) |
| Net | 24,115 | 8,431 | 19,365 |
| TOTAL OTHER COMPREHENSIVE INCOME (LOSS) | $ 69,573 | $(118,786) | $ 9,893 |

</TABLE>



NOTE 14 EARNINGS PER SHARE

Basic earnings per share is the amount of earnings for the period available to each share of common stock outstanding during the reporting period. Diluted earnings per share is the amount of earnings available to each share of common stock outstanding during the reporting period adjusted for the potential issuance of common shares for stock options. The calculation of basic and diluted earnings per share for each of the three years ended December 31 is as follows:

| (in thousands of dollars, except per share amounts) | 2000 | 1999 | 1998 |
|---|---|---|---|
| Net income | $328,446 | $422,074 | $301,768 |
| Average common shares outstanding | 248,709 | 253,560 | 255,826 |
| Dilutive effect of stock options | 861 | 2,087 | 2,454 |
| Diluted common shares outstanding | 249,570 | 255,647 | 258,280 |
| Earnings per share | | | |
| Basic | $1.32 | $1.66 | $1.18 |
| Diluted | $1.32 | $1.65 | $1.17 |

Average common shares outstanding and the dilutive effect of stock options have been adjusted for subsequent stock dividends and stock splits, as applicable.

NOTE 15 COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

In the ordinary course of business, there are various legal proceedings pending against Huntington and its subsidiaries. In the opinion of management, the aggregate liabilities, if any, arising from such proceedings are not expected to have a material adverse effect on Huntington's consolidated financial position.

Operating Leases

At December 31, 2000, Huntington and its subsidiaries were obligated under noncancelable leases for land, buildings, and equipment. Many of these leases contain renewal options, and certain leases provide options to purchase the leased property during or at the expiration of the lease period at specified prices. Some leases contain escalation clauses calling for rentals to be adjusted for increased real estate taxes and other operating expenses, or proportionately adjusted for increases in the consumer or other price indices.

The following summary reflects the future minimum rental payments, by year, required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2000.

| Year | (in thousands of dollars) |
|---|---|
| 2001 | $ 46,856 |

| | |
|---|---|
| 2002 | 44,897 |
| 2003 | 41,126 |
| 2004 | 38,480 |
| 2005 | 35,083 |
| 2006 and thereafter | 339,568 |
| Total | $ 546,010 |

Total minimum lease payments have not been reduced by minimum sublease rentals of $84.0 million due in the future under noncancelable subleases. The rental expense for all operating leases was $49.6 million for 2000 compared with $39.1 million for 1999 and $31.0 million in 1998.



NOTE 16 INCOME TAXES

The following is a summary of the provision for income taxes:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 | 1998 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| Currently (receivable) payable | | | |
| Federal | $ (106,354) | $106,932 | $ 133,012 |
| State | 467 | 1,017 | 2,573 |
| Total current | (105,887) | 107,949 | 135,585 |
| Deferred tax expense | | | |
| Federal | 237,336 | 83,555 | 1,972 |
| State | --- | 1,193 | 797 |
| Total deferred | 237,336 | 84,748 | 2,769 |
| PROVISION FOR INCOME TAXES | $ 131,449 | $192,697 | $ 138,354 |

</TABLE>

Tax expense associated with securities transactions included in the above amounts were $15.9 million in 2000, $5.7 million in 1999, and $10.8 million in 1998.

<TABLE>
<CAPTION>
The following is a reconcilement of income tax expense to the amount computed at the statutory rate of 35%:

| (in thousands of dollars) | 2000 | 1999 | 1998 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| Pre-tax income computed at the statutory rate | $ 160,962 | $215,170 | $154,043 |
| Increases (decreases): | | | |
| Tax-exempt interest income | (18,619) | (18,677) | (16,107) |
| State income taxes | 302 | 1,438 | 2,191 |
| Charitable contributions | (4,446) | (4,200) | - |

| | | | |
|---|---|---|---|
| Other-net | (6,750) | (1,034) | (1,773) |
| PROVISION FOR INCOME TAXES | $ 131,449 | $192,697 | $138,354 |

The significant components of deferred tax assets and liabilities at December 31, 2000 and 1999, are as follows:

| (in thousands of dollars) | 2000 | 1999 |
|---|---|---|
| Deferred tax assets: | | |
| Allowance for loan losses | $ 101,346 | $ 97,306 |
| Unrealized losses on securities available for sale | 13,203 | 50,666 |
| Pension and other employee benefits | 9,787 | 13,995 |
| Other | 41,317 | 39,928 |
| Total deferred tax assets | 165,653 | 201,895 |
| Deferred tax liabilities: | | |
| Lease financing | 512,548 | 336,617 |
| Undistributed income of subsidiary | 70,766 | --- |
| Mortgage servicing rights | 10,526 | 18,437 |
| Other | 32,584 | 32,813 |
| Total deferred tax liabilities | 626,424 | 387,867 |
| Net deferred tax liability | $ 460,771 | $185,972 |

</TABLE>



NOTE 17 REGULATORY MATTERS

Huntington and its subsidiaries are subject to various regulatory requirements that impose restrictions on cash, debt, and dividends. Huntington's bank subsidiary, The Huntington National Bank (HNB), is required to maintain non-interest bearing cash balances with the Federal Reserve Bank. During 2000 and 1999, the average balance of these deposits were $412.0 million and $393.8 million, respectively.

Under current Federal Reserve regulations, HNB is limited as to the amount and type of loans it may make to the parent company and non-bank subsidiaries. At December 31, 2000, HNB could lend $285.8 million to a single affiliate, subject to the qualifying collateral requirements defined in the regulations.

Dividends from HNB are one of the major sources of funds for Huntington's parent company. These funds aid the parent company in the payment of dividends to shareholders, expenses, and other obligations. Payment of dividends to the parent company is subject to various legal and regulatory limitations. Regulatory approval is required prior to the declaration of any dividends in excess of available retained earnings. The amount of dividends that may be declared without regulatory approval is further limited to the sum of net income for the current year and retained net income for the preceding two years, less any required transfers to surplus or common stock. HNB could, without regulatory approval, declare dividends in 2001 of approximately $278.9 million plus an additional amount equal to its net income through the date of declaration in 2001.

Huntington and HNB are also subject to various regulatory capital requirements administered by federal and state banking agencies. These requirements involve qualitative judgments and quantitative measures of assets, liabilities, capital amounts, and certain off-balance sheet items as calculated under regulatory accounting practices. Failure to meet minimum capital requirements can initiate certain actions by regulators that, if undertaken, could have a material effect on Huntington's and HNB's financial statements. Applicable capital adequacy guidelines require minimum ratios of 4.00% for Tier 1 Risk-based Capital, 8.00% for Total Risk-based Capital, and 4.00% for Tier 1 Leverage. To be considered well capitalized under the regulatory framework for prompt corrective action, the ratios must be at least 6.00%, 10.00% and 5.00% respectively.

As of December 31, 2000 and 1999, Huntington and HNB have met all capital adequacy requirements. In addition, Huntington and HNB had regulatory capital ratios in excess of the levels established for well-capitalized institutions. The capital ratios of Huntington and HNB as well as a comparison of the period-end capital balances with the related amounts established by the regulatory agencies are presented in the table below.

| (in millions of dollars) | Actual 2000 | Actual 1999 | Well Capitalized 2000 | Well Capitalized 1999 | For Capital Adequacy Purposes 2000 | For Capital Adequacy Purposes 1999 |
|---|---|---|---|---|---|---|
| HUNTINGTON BANCSHARES INCORPORATED | | | | | | |
| Capital Amount: | | | | | | |
| Tier 1 | $ 1,933 | $ 1,903 | $ 1,613 | $ 1,518 | $ 1,075 | $ 1,012 |
| Total Risk-Based | 2,811 | 2,712 | 2,688 | 2,530 | 2,150 | 2,024 |
| Tier 1 Leverage | 1,933 | 1,903 | 1,395 | 1,416 | 1,116 | 1,133 |
| Ratios: | | | | | | |
| Tier 1 | 7.19% | 7.52% | 6.00% | 6.00% | 4.00% | 4.00% |
| Total Risk-Based | 10.46% | 10.72% | 10.00% | 10.00% | 8.00% | 8.00% |
| Tier 1 Leverage | 6.93% | 6.72% | 5.00% | 5.00% | 4.00% | 4.00% |
| THE HUNTINGTON NATIONAL BANK | | | | | | |
| Capital Amount: | | | | | | |
| Tier 1 | $ 1,781 | $ 1,654 | $ 1,618 | $ 1,514 | $ 1,079 | $ 1,009 |
| Total Risk-Based | 2,858 | 2,733 | 2,697 | 2,523 | 2,158 | 2,018 |
| Tier 1 Leverage | 1,781 | 1,654 | 1,385 | 1,409 | 1,108 | 1,127 |
| Ratios: | | | | | | |
| Tier 1 | 6.60% | 6.56% | 6.00% | 6.00% | 4.00% | 4.00% |
| Total Risk-Based | 10.60% | 10.83% | 10.00% | 10.00% | 8.00% | 8.00% |
| Tier 1 Leverage | 6.43% | 5.87% | 5.00% | 5.00% | 4.00% | 4.00% |



NOTE 18 QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations for the years ended December 31, 2000 and 1999:

| (in thousands of dollars, except per share data) | 1 Q | 2 Q | 3 Q | 4 Q |
|---|---|---|---|---|
| 2000 | | | | |
| Interest income | $ 515,557 | $ 519,496 | $ 535,791 | $ 537,661 |
| Interest expense | 274,866 | 286,690 | 299,922 | 304,595 |
| Net interest income | 240,691 | 232,806 | 235,869 | 233,066 |
| Provision for loan losses | 15,701 | 15,834 | 26,396 | 32,548 |
| Securities gains | 24,763 | 114 | 11,379 | 845 |
| Non-interest income | 100,931 | 115,550 | 110,273 | 129,704 |
| Non-interest expense | 200,106 | 198,076 | 213,585 | 223,850 |
| Special charges (1) | --- | --- | 50,000 | --- |
| Income before income taxes | 150,578 | 134,560 | 67,540 | 107,217 |
| Provision for income taxes | 46,405 | 37,039 | 17,010 | 30,995 |

| | | | | |
|---|---|---|---|---|
| Net income | $ 104,173 | $ 97,521 | $ 50,530 | $ 76,222 |
| Net income per common share (2) | | | | |
| Basic | $0.42 | $0.40 | $0.20 | $0.30 |
| Diluted | $0.42 | $0.40 | $0.20 | $0.30 |

| (in thousands of dollars, except per share data) | 1 Q | 2 Q | 3 Q | 4 Q |
|---|---|---|---|---|
| 1999 | | | | |
| Interest income | $ 495,692 | $ 498,500 | $ 516,294 | $ 515,516 |
| Interest expense | 236,171 | 237,352 | 247,863 | 262,854 |
| Net interest income | 259,521 | 261,148 | 268,431 | 252,662 |
| Provision for loan losses | 25,305 | 21,026 | 22,076 | 20,040 |
| Securities gains | 2,310 | 2,220 | 537 | 7,905 |
| Gains on sale of credit card portfolio | --- | --- | --- | 108,530 |
| Non-interest income | 107,562 | 115,056 | 115,117 | 114,338 |
| Non-interest expense | 202,106 | 202,138 | 206,189 | 204,895 |
| Special charges (1) | --- | --- | --- | 96,791 |
| Income before income taxes | 141,982 | 155,260 | 155,820 | 161,709 |
| Provision for income taxes | 45,410 | 50,285 | 50,233 | 46,769 |
| Net income | $ 96,572 | $ 104,975 | $ 105,587 | $ 114,940 |
| Net income per common share (2) | | | | |
| Basic | $0.38 | $0.41 | $0.42 | $0.46 |
| Diluted | $0.38 | $0.41 | $0.41 | $0.45 |

</TABLE>

(1) See discussion of special charges in Note 19.
(2) Adjusted for stock dividends and stock splits, as applicable.



NOTE 19 NON-INTEREST INCOME AND EXPENSE

A summary of the components in non-interest income follows for the three years ended December 31:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 | 1998 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |

| | | | |
|---|---|---|---|
| Service charges on deposit accounts | $ 160,727 | $156,315 | $126,403 |
| Brokerage and insurance income | 61,871 | 52,076 | 36,710 |
| Trust services | 53,613 | 52,030 | 50,754 |
| Electronic banking fees | 43,883 | 37,301 | 29,202 |
| Bank Owned Life Insurance income | 39,544 | 37,560 | 28,712 |
| Mortgage banking | 38,025 | 56,890 | 60,006 |
| Credit card fees | 6,985 | 23,314 | 21,909 |
| Other | 51,810 | 36,587 | 45,181 |
| TOTAL NON-INTEREST INCOME BEFORE SECURITIES GAINS AND AND CREDIT CARD PORTFOLIO SALE GAINS | 456,458 | 452,073 | 398,877 |
| Securities gains | 37,101 | 12,972 | 29,793 |
| Gains on sale of credit card portfolios | --- | 108,530 | 9,530 |
| TOTAL NON-INTEREST INCOME | $ 493,559 | $573,575 | $438,200 |

</TABLE>

A summary of the components in non-interest expense for the three years ended December 31 follows:

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 | 1998 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| Personnel and related costs | $ 421,750 | $419,901 | $428,539 |
| Equipment | 78,069 | 66,666 | 62,040 |
| Net occupancy | 75,882 | 62,169 | 54,123 |
| Outside data processing and other services | 62,011 | 62,886 | 74,795 |
| Amortization of intangible assets | 39,207 | 37,297 | 25,689 |
| Marketing | 34,884 | 32,506 | 32,260 |
| Telecommunications | 26,225 | 28,519 | 29,429 |
| Legal and other professional services | 20,819 | 21,169 | 25,160 |
| Printing and supplies | 19,634 | 20,227 | 23,673 |
| Franchise and other taxes | 11,077 | 14,674 | 22,103 |
| Other | 46,059 | 49,314 | 46,118 |
| TOTAL NON-INTEREST EXPENSE BEFORE SPECIAL CHARGES | 835,617 | 815,328 | 823,929 |
| Special charges | 50,000 | 96,791 | 90,000 |
| TOTAL NON-INTEREST EXPENSE | $ 885,617 | $912,119 | $913,929 |

</TABLE>

SPECIAL CHARGES

During the fourth quarter of 1999 and in the third quarter 2000, Huntington recorded special charges of $58.2 million and $50.0 million, respectively, to write-down residual values related to its $3.0 billion vehicle lease portfolio. Of this total, $71.4 million remained available at December 31, 2000, to cover estimated losses inherent in the portfolio.

In addition to the lease charge in 1999, Huntington recorded $38.6 million of additional costs, which included $21 million related to the company's "Huntington 2000+" program and other one-time expenses, including amounts paid for management consulting and other professional services as well as $11 million for a special cash award to employees for achievement of the program goals for 1999. "Huntington 2000+" was a collaborative effort among all employees to

evaluate processes and procedures and the way Huntington conducts its business with a mission of maximizing efficiency through all aspects of the organization.



NOTE 20 FINANCIAL INSTRUMENTS

The contract or notional amount of financial instruments with off-balance sheet risk and credit concentrations at December 31, 2000 and 1999, is presented below:

| (in millions of dollars) | 2000 | 1999 |
|---|---|---|
| CONTRACT AMOUNT REPRESENTS CREDIT RISK | | |
| Commitments to extend credit | | |
| Commercial | $ 4,279 | $3,610 |
| Consumer | 3,069 | 2,320 |
| Commercial Real Estate | 500 | 316 |
| Standby letters of credit | 859 | 803 |
| Commercial letters of credit | 197 | 169 |
| NOTIONAL AMOUNT EXCEEDS CREDIT RISK | | |
| Asset/liability management activities | | |
| Interest rate swaps | 6,495 | 5,525 |
| Interest rate options | 3,104 | 1,289 |
| Interest rate forwards and futures | 284 | 212 |
| Trading activities | | |
| Interest rate swaps | 776 | 619 |
| Interest rate options | 369 | 392 |

Commitments to extend credit generally have short-term, fixed expiration dates, are variable rate, and contain clauses that permit Huntington to terminate or otherwise renegotiate the contracts in the event of a significant deterioration in the customer's credit quality. These arrangements normally require the payment of a fee by the customer, the pricing of which is based on prevailing market conditions, credit quality, probability of funding, and other relevant factors. Since many of these commitments are expected to expire without being drawn upon, the contract amounts are not necessarily indicative of future cash requirements. The interest rate risk arising from these financial instruments is insignificant as a result of their predominantly short-term, variable rate nature.

Standby letters of credit are conditional commitments issued by Huntington to guarantee the performance of a customer to a third party. These guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. Most of these arrangements mature within two years. Approximately 58% of standby letters of credit are collateralized, and nearly 80% are expected to expire without being drawn upon.

Commercial letters of credit represent short-term, self-liquidating instruments that facilitate customer trade transactions and have maturities of no longer than ninety days. The merchandise or cargo being traded normally secures these instruments.

Interest rate swaps are agreements between two parties to exchange periodic interest payments that are calculated on a notional principal amount. Huntington enters into swaps to synthetically alter the repricing characteristics of designated earning assets and interest bearing liabilities and, on a much more limited basis, as an intermediary for customers. Because only interest payments are exchanged, cash requirements of swaps are significantly less than the notional amounts.

Interest rate options grant the option holder the right to buy or sell an underlying financial instrument for a predetermined price before the contract expires. Interest rate caps and floors are option-based contracts which entitle the buyer to receive cash payments based on the difference between a designated reference rate and a strike price, applied to a notional amount. Written options, primarily caps, expose Huntington to market risk but not credit risk. Purchased options contain both credit and market risk. They are used to manage fluctuating interest rates as exposure to loss from interest rate contracts changes.

Interest rate forwards and futures are commitments to either purchase or sell a financial instrument at a future date for a specified price or yield and may be settled in cash or through delivery of the underlying financial instrument. Forward contracts, used primarily by Huntington in connection with its mortgage banking activities, settle in cash at a specified future date based on the differential between agreed interest rates applied to a notional amount.



NOTE 20 FINANCIAL INSTRUMENTS (CONTINUED)

In the normal course of business, Huntington is party to financial instruments with varying degrees of credit and market risk in excess of the amounts reflected as assets and liabilities in the consolidated balance sheet.

Loan commitments and letters of credit are commonly used to meet the financing needs of customers, while interest rate swaps, options, futures, and forwards are an integral part of Huntington's asset/liability management activities. To a much lesser extent, various financial instrument agreements are entered into to assist customers in managing their exposure to interest rate fluctuations. These customer agreements, for which Huntington counters interest rate risk through offsetting third party contracts, are considered trading activities.

The credit risk arising from loan commitments and letters of credit, represented by their contract amounts, is essentially the same as that involved in extending loans to customers, and both arrangements are subject to Huntington's standard credit policies and procedures. Collateral is obtained based on management's credit assessment of the customer and, for commercial transactions, may consist of accounts receivable, inventory, income-producing properties, and other assets. Residential properties are the principal form of collateral for consumer commitments.

Notional values of interest rate swaps and other off-balance sheet financial instruments significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculations of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to Huntington, including any accrued interest receivable due from counterparties. Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements, and other contract provisions. At December 31, 2000, Huntington's credit risk from these off-balance sheet arrangements, including trading activities, was approximately $84.3 million.

- --------------------------------------------------------------------------------

NOTE 21 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of Huntington's financial instruments at December 31 are presented in the following table:

<TABLE>
<CAPTION>

| | AT DECEMBER 31, 2000 | | AT DECEMBER 31, 1999 | |
|---|---|---|---|---|
| (in thousands of dollars) | CARRYING AMOUNT | FAIR VALUE | CARRYING AMOUNT | FAIR VALUE |
| <S> | <C> | <C> | <C> | <C> |
| FINANCIAL ASSETS: | | | | |
| Cash and short-term assets | $ 1,460,853 | $ 1,460,853 | $1,235,439 | $1,235,439 |
| Trading account securities | 4,723 | 4,723 | 7,975 | 7,975 |
| Mortgages held for sale | 155,104 | 155,104 | 141,723 | 141,723 |
| Securities | 4,106,861 | 4,107,319 | 4,888,968 | 4,888,865 |
| Loans | 20,312,311 | 20,487,837 | 20,369,128 | 20,380,713 |
| Customers' acceptance liability | 17,366 | 17,366 | 17,167 | 17,167 |
| Interest rate contracts: | | | | |
| Asset/liability management | 7,278 | 37,934 | 21,491 | 19,147 |
| Customer accommodation | 6,171 | 6,171 | 12,950 | 12,950 |
| FINANCIAL LIABILITIES: | | | | |
| Deposits | 19,777,245 | 19,811,808 | 19,792,603 | 19,803,657 |
| Short-term borrowings | 1,987,759 | 1,987,759 | 2,121,989 | 2,121,989 |
| Bank acceptances outstanding | 17,366 | 17,366 | 17,167 | 17,167 |
| Medium-term notes | 2,467,150 | 2,489,406 | 3,254,150 | 3,272,348 |
| Subordinated notes and other long-term debt | 870,976 | 877,127 | 697,677 | 727,789 |
| Capital Securities | 300,000 | 300,359 | 300,000 | 300,652 |
| Interest rate contracts: | | | | |
| Asset/liability management | --- | 23,315 | --- | |

| 72,991 | | | | |
|---|---|---|---|---|
| Customer accommodation | 4,360 | 4,360 | 10,765 | 10,765 |

</TABLE>





Certain assets, the most significant being Bank Owned Life Insurance and premises and equipment, do not meet the definition of a financial instrument and are excluded from this disclosure. Similarly, mortgage and non-mortgage servicing rights, deposit base, and other customer relationship intangibles are not considered financial instruments and are not discussed below. Accordingly, this fair value information is not intended to, and does not, represent Huntington's underlying value. Many of the assets and liabilities subject to the disclosure requirements are not actively traded, requiring fair values to be estimated by management. These estimations necessarily involve the use of judgment about a wide variety of factors, including but not limited to, relevancy of market prices of comparable instruments, expected future cash flows, and appropriate discount rates.

The terms and short-term nature of certain assets and liabilities result in their carrying value approximating fair value. These include cash and due from banks, interest bearing deposits in banks, trading account securities, federal funds sold and securities purchased under resale agreements, customers' acceptance liabilities, short-term borrowings, and bank acceptances outstanding. Loan commitments and letters of credit generally have short-term, variable rate features and contain clauses that limit Huntington's exposure to changes in customer credit quality. Accordingly, their carrying values, which are immaterial at the respective balance sheet dates, are reasonable estimates of fair value.

The following methods and assumptions were used by Huntington to estimate the fair value of the remaining classes of financial instruments:

Mortgages held for sale - valued at the lower of aggregate cost or market value primarily as determined using outstanding commitments from investors.

Securities available for sale and investment securities - based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Retained interests in securitized assets are valued using a discounted cash flow analysis. The carrying amount and fair value of securities exclude the fair value of asset/liability management interest rate contracts designated as hedges of securities available for sale.

Loans and leases - variable rate loans that reprice frequently are based on carrying amounts, as adjusted for estimated credit losses. The fair values for other loans are estimated using discounted cash flow analyses and employ interest rates currently being offered for loans with similar terms. The rates take into account the position of the yield curve, as well as an adjustment for prepayment risk, operating costs, and profit. This value is also reduced by an estimate of probable losses in the loan portfolio. Although not considered financial instruments, lease financing receivables have been included in the loan totals at their carrying amounts.

Deposits - demand deposits, savings accounts, and money market deposits are, by definition, equal to the amount payable on demand. The fair values of fixed rate time deposits are estimated by discounting cash flows using interest rates currently being offered on certificates with similar maturities.

Debt - fixed rate long-term debt, as well as medium-term notes and Capital Securities, are based upon quoted market prices or, in the absence of quoted market prices, discounted cash flows using rates for similar debt with the same maturities. The carrying amount of variable rate obligations approximates fair value.

Off-balance sheet derivatives - interest rate swap agreements and other off-balance sheet interest rate contracts are based upon quoted market prices or prices of similar instruments, when available, or calculated with pricing models using current rate assumptions.

- ---------------------------------------------------------------------------------

NOTE 22 SEGMENT REPORTING

Huntington views its operations as five distinct segments. Retail Banking, Corporate Banking, Dealer Sales, and the Private Financial Group are the company's major business lines. The fifth segment includes Huntington's Treasury function and other unallocated assets, liabilities, revenue, and expense. Line of business results are determined based upon Huntington's business profitability reporting system, which assigns balance sheet and income statement items to each of the business segments. The process is designed around Huntington's organizational and management structure and accordingly, the results are not necessarily comparable with similar information published by other financial institutions. Listed below is certain financial information regarding Huntington's 2000, 1999, and 1998 results by line of business. For a detailed description of the individual segments, refer to Huntington's Management's Discussion and Analysis.

NOTE 22 SEGMENT REPORTING (CONTINUED)

| INCOME STATEMENT (in thousands of dollars) | Retail Banking | Corporate Banking | Dealer Sales | Private Financial Group | Treasury/ Other | Huntington Consolidated |
|---|---|---|---|---|---|---|
| 2000 | | | | | | |
| Net Interest Income (FTE) | $ 537,386 | $ 263,898 | $ 193,466 | $ 31,842 | $ (75,850) | $ 950,742 |
| Provision for Loan Losses | 26,006 | 14,332 | 49,078 | 1,063 | --- | 90,479 |
| Non-Interest income | 269,831 | 62,348 | 29,034 | 62,154 | 70,192 | 493,559 |
| Non-Interest expense | 546,575 | 117,869 | 105,194 | 55,843 | 60,136 | 885,617 |
| Income Taxes/FTE Adjustment | 70,039 | 57,922 | 17,791 | 11,071 | (17,064) | 139,759 |
| Net income | $ 164,597 | $ 136,123 | $ 50,437 | $ 26,019 | $ (48,730) | $ 328,446 |
| BALANCE SHEET (in millions of dollars) | | | | | | |
| Average Identifiable Assets | $ 6,951 | $ 7,145 | $ 6,714 | $ 611 | $ 7,300 | $ 28,721 |
| Average Deposits | $ 16,458 | $ 1,518 | $ 76 | $ 636 | $ 1,002 | $ 19,690 |
| 1999 | | | | | | |
| Net Interest Income (FTE) | $ 572,516 | $ 250,717 | $ 193,118 | $ 33,452 | $ 1,382 | $ 1,051,185 |
| Provision for Loan Losses | 37,766 | 10,388 | 38,995 | 1,298 | --- | 88,447 |
| Non-Interest income | 284,047 | 58,824 | 7,273 | 53,324 | 170,107 | 573,575 |
| Non-Interest expense | 566,232 | 104,518 | 106,317 | 47,255 | 87,797 | 912,119 |
| Income Taxes/FTE Adjustment | 81,783 | 63,025 | 16,526 | 12,377 | 28,409 | 202,120 |
| Net income | $ 170,782 | $ 131,610 | $ 38,553 | $ 25,846 | $ 55,283 | $ 422,074 |
| BALANCE SHEET (in millions of dollars) | | | | | | |
| Average Identifiable Assets | $ 7,484 | $ 6,858 | $ 6,251 | $ 584 | $ 7,562 | $ 28,739 |
| Average Deposits | $ 16,885 | $ 1,002 | $ 65 | $ 610 | $ 645 | $ 19,207 |
| 1998 | | | | | | |
| Net Interest Income (FTE) | $ 574,446 | $ 238,078 | $ 162,326 | $ 35,328 | $21,222 | $ 1,031,400 |
| Provision for Loan Losses | 46,978 | 16,854 | 40,168 | 1,242 | --- | 105,242 |
| Non-Interest income | 268,931 | 63,756 | 5,722 | 37,066 | 62,725 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | 438,200 |
| Non-Interest expense | 544,287 | 112,821 | 48,021 | 50,561 | 158,239 | 913,929 |
| Income Taxes/FTE Adjustment | 83,208 | 56,820 | 26,316 | 6,796 | (24,479) | 148,661 |
| Net income | $ 168,904 | $ 115,339 | $ 53,543 | $ 13,795 | $ (49,813) | $ 301,768 |
| BALANCE SHEET (in millions of dollars) | | | | | | |
| Average Identifiable Assets | $ 9,153 | $ 5,932 | $ 5,325 | $ 614 | $ 5,868 | $ 26,892 |
| Average Deposits | $ 16,501 | $ 947 | $ 63 | $ 561 | $ 341 | $ 18,413 |

</TABLE>

Note: Fully tax equivalent basis (FTE) income assumes a 35% tax rate.



NOTE 23 MERGERS AND ACQUISITIONS

Huntington acquired Empire Banc Corporation (Empire), a $506 million one-bank holding company headquartered in Traverse City, Michigan, on June 23, 2000. Huntington reissued approximately 6.5 million shares of common stock, all of which were purchased on the open market during the first quarter 2000, in exchange for all of the common stock of Empire. Total loans and deposits increased $395 million and $435 million, respectively, at the date of the merger. Additionally, Huntington acquired J. Rolfe Davis Insurance Agency, Inc. (JRD), headquartered in Maitland, Florida, on August 23, 2000. Huntington paid $8.2 million in cash and issued approximately 695,000 shares of common stock for all of the common stock of JRD. Both transactions were accounted for as purchases; accordingly, the results of Empire and JRD have been included in the consolidated financial statements from the respective dates of acquisition. Goodwill, which represents the excess of the cost of an acquisition over the fair value of the assets acquired, was $105 million for Empire and $20 million for JRD.

---

NOTE 24 PARENT COMPANY FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

| BALANCE SHEETS | December 31, | |
|---|---|---|
| (in thousands of dollars) | 2000 | 1999 |
| ASSETS | | |
| Cash and cash equivalents | $ 227,964 | $ 100,804 |
| Securities available for sale | 60,952 | 81,241 |
| Due from subsidiaries | | |
| Bank subsidiary | 232,517 | 330,487 |
| Non-bank subsidiaries | 53,095 | 33,646 |
| Investment in subsidiaries on the equity method | | |
| Bank subsidiary | 2,080,701 | 2,182,420 |
| Non-bank subsidiaries | 449,598 | 26,761 |
| Excess of cost of investment in subsidiaries over net assets acquired | 10,452 | 11,016 |
| Other assets | 60,492 | 88,221 |

| | | |
|---|---|---|
| TOTAL ASSETS | $ 3,175,771 | $ 2,854,596 |
| | ================= | ================= |
| LIABILITIES AND EQUITY | | |
| Short-term borrowings | $ 98,669 | $ 11,327 |
| Medium-term notes | 25,000 | --- |
| Subordinated notes | | |
| Subsidiary trusts | 309,279 | 309,279 |
| Unaffiliated companies | 149,760 | 149,633 |
| Dividends payable | 50,173 | 45,826 |
| Accrued expenses and other liabilities | 176,843 | 156,175 |
| TOTAL LIABILITIES | 809,724 | 672,240 |
| SHAREHOLDERS' EQUITY | 2,366,047 | 2,182,356 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 3,175,771 | $ 2,854,596 |
| | ================= | ================= |

</TABLE>



NOTE 24 PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

<TABLE>
<CAPTION>

| STATEMENTS OF INCOME | YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|
| (in thousands of dollars) | 2000 | 1999 | 1998 |
| INCOME | | | |
| Dividends from | | | |
| Bank subsidiary | $ 222,330 | $190,255 | $186,381 |
| Non-bank subsidiaries | 3,000 | 4,000 | 4,000 |
| Interest from | | | |
| Bank subsidiary | 20,749 | 19,748 | 41,507 |
| Non-bank subsidiaries | 2,741 | 1,194 | 329 |
| Other | 66,134 | 31,918 | 3,094 |
| TOTAL INCOME | 314,954 | 247,115 | 235,311 |
| EXPENSE | | | |
| Interest on debt | 36,687 | 31,109 | 27,340 |
| Other | 6,756 | --- | 13,722 |
| TOTAL EXPENSE | 43,443 | 31,109 | 41,062 |

| | | | |
|---|---|---|---|
| Income before income taxes and equity in undistributed net income of subsidiaries | 271,511 | 216,006 | 194,249 |
| Income tax expense | 12,592 | 9,271 | 2,089 |
| Income before equity in undistributed net income of subsidiaries | 258,919 | 206,735 | 192,160 |
| Equity in undistributed net income of | | | |
| Bank subsidiary | 66,387 | 212,613 | 106,967 |
| Non-bank subsidiaries | 3,140 | 2,726 | 2,641 |
| NET INCOME | $ 328,446 | $422,074 | $301,768 |

</TABLE>



NOTE 24 PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2000 | 1999 | 1998 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| OPERATING ACTIVITIES | | | |
| Net Income | $ 328,446 | $ 422,074 | $ 301,768 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Equity in undistributed net income of subsidiaries | (69,527) | (215,339) | (109,608) |
| Provision for amortization and depreciation | 2,987 | 2,987 | 3,244 |
| Gains on sales of securities available for sale & other assets | (62,140) | (30,546) | --- |
| Decrease (increase) in other assets | 38,290 | (6,538) | (14,413) |
| Increase (decrease) in other liabilities | 34,937 | 65,965 | (13,377) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 272,993 | 238,603 | 167,614 |
| INVESTING ACTIVITIES | | | |
| Increase in investments in subsidiaries | (5,397) | (5) | (386,500) |
| Repayments from (advances to) subsidiaries | 67,154 | (4,050) | 371,539 |
| Purchases of securities available for sale | (47,000) | --- | --- |
| Proceeds from sales of securities available for sale | 68,106 | 30,990 | --- |
| Proceeds from sales of other assets | 11,405 | --- | --- |
| Other | --- | --- | (41) |
| NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES | 94,268 | 26,935 | (15,002) |
| FINANCING ACTIVITIES | | | |

| | | | |
|---|---|---|---|
| Increase (decrease) in short-term borrowings | 87,342 | (19,317) | (9,881) |
| Proceeds from issuance of subordinated notes to subsidiary trusts | --- | --- | 100,000 |
| Payment of long-term debt | --- | --- | (4,537) |
| Proceeds from issuance of medium-term notes | 25,000 | --- | --- |
| Payment of medium-term notes | --- | (60,000) | (160,000) |
| Dividends paid on common stock | (185,103) | (171,858) | (157,632) |
| Acquisition of treasury stock | (168,395) | (97,957) | (31,192) |
| Proceeds from issuance of treasury stock | 1,055 | 4,417 | 4,685 |
| NET CASH USED FOR FINANCING ACTIVITIES | (240,101) | (344,715) | (258,557) |
| CHANGE IN CASH AND CASH EQUIVALENTS | 127,160 | (79,177) | (105,945) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 100,804 | 179,981 | 285,926 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | $ 227,964 | $ 100,804 | $ 179,981 |
| Supplemental disclosure: | | | |
| Interest paid | $ 36,262 | $ 31,662 | $ 28,856 |

</TABLE>

Supplemental data required for this item is set forth in Item 7 on page 26 under the caption "Selected Quarterly Income Statement Data."

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.



# PART III

## ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this item is set forth under the captions "Class I Directors," "Class II Directors," and "Class III Directors" on pages 1 through 4 under the caption "Executive Officers of the Corporation" on pages 18 and 19, and under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" on page 27, of Huntington's 2001 Proxy Statement, and is incorporated herein by reference.

## ITEM 11: EXECUTIVE COMPENSATION

Information required by this item is set forth under the caption "Executive Compensation" on pages 8 through 17, and under the caption "Compensation of

Directors" on page 5, of Huntington's 2001 Proxy Statement, and is incorporated herein by reference.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is set forth under the caption "Ownership of Voting Stock" on pages 6 and 7, of Huntington's 2001 Proxy Statement, and is incorporated herein by reference.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item is set forth under the caption "Transactions With Directors and Executive Officers" on pages 5 and 6, and under the caption "Compensation Committee Interlocks and Insider Participation" on page 14 of Huntington's 2001 Proxy Statement, and is incorporated herein by reference.

PART IV

ITEM 14: EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

(1) The report of independent auditors and consolidated financial statements appearing in Item 8.

(2) Huntington is not filing separately financial statement schedules because of the absence of conditions under which they are required or because the required information is included in the consolidated financial statements or the notes thereto.

(3) The exhibits required by this item are listed in the Exhibit Index on pages 58 through 60 of this Form 10-K. The management contracts and compensation plans or arrangements required to be filed as exhibits to this Form 10-K are listed as Exhibits 10(a) through 10(p) in the Exhibit Index.

(b) During the quarter ended December 31, 2000, Huntington filed two Current Report on Form 8-K. The first report, dated October 11, 2000, was filed under Items 5 and 7, announcing the appointment of Michael J. McMennamin as Chief Financial Officer and Treasurer. The second report, dated October 19, 2000, was filed under Items 5 and 7, and concerned Huntington's results of operations for the quarter ended September 30, 2000.

(c) The exhibits to this Form 10-K begin on page 58.

(d) See Item 14(a)(2) above.



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 8th day of March, 2001.

HUNTINGTON BANCSHARES INCORPORATED
(Registrant)

By: /s/ Frank Wobst
Frank Wobst
Director and Chairman
(Principal Executive Officer)

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 28th day of February, 2001.

/s/ Don M. Casto, III
Don M. Casto, III

/s/ Robert H. Schottenstein
Robert H. Schottenstein

Director                                Director

/s/ Don Conrad                          /s/ George A. Skestos
- -----------------------------------   ---------------------
Don Conrad                              George A. Skestos
Director                                Director

/s/ John B. Gerlach, Jr.                /s/ Lewis R. Smoot, Sr.
- -----------------------------------   -----------------------
John B. Gerlach, Jr.                    Lewis R. Smoot, Sr.
Director                                Director

/s/ Patricia T. Hayot                   /s/ Timothy P. Smucker
- -----------------------------------   ----------------------
Patricia T. Hayot                       Timothy P. Smucker
Director                                Director

/s/ Thomas E. Hoaglin
- -----------------------------------
Thomas E. Hoaglin
President, Chief Executive Officer, and Director

/s/ Wm. J. Lhota
- -----------------------------------
Wm. J. Lhota
Director



EXHIBIT INDEX

3(i)(a). Articles of Restatement of Charter, Articles of Amendment to Articles of Restatement of Charter, and Articles Supplementary -- previously filed as Exhibit 3(i) to Annual Report on Form 10-K for the year ended December 31, 1993, and incorporated herein by reference.

(i)(b). Articles of Amendment to Articles of Restatement of Charter -- previously filed as Exhibit 3(i)(c) to Quarterly Report on Form 10-Q for the quarter ended March 31, 1998, and incorporated herein by reference.

(ii). Amended and Restated Bylaws.

4(a). Instruments defining the Rights of Security Holders -- reference is made to Articles Fifth, Eighth, and Tenth of Articles of Restatement of Charter, as amended and supplemented. Instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission upon request.

(b). Rights Plan, dated February 22, 1990, between Huntington Bancshares Incorporated and The Huntington National Bank (as successor to The Huntington Trust Company, National Association) -- previously filed as Exhibit 1 to Registration Statement on Form 8-A, filed with the Securities and Exchange Commission on February 22, 1990, and incorporated herein by reference.

(c). Amendment No. 1 to the Rights Agreement, dated August 16, 1995 -- previously filed as Exhibit 4(b) to Form 8-K, dated August 16, 1995, and incorporated herein by reference.

10. Material contracts:

(a). * Employment Agreement, dated February 15, 2001, between Huntington Bancshares Incorporated and Frank Wobst

(b). * Form of Tier I Executive Agreement for certain executive officers -- previously filed as Exhibit 10(b) to Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference.

(c). * Form of Tier II Executive Agreement for certain executive officers -- previously filed as Exhibit 10(c) to Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference.

(d). * Schedule identifying material details of Executive Agreements, substantially similar to Exhibits 10(b) and 10(c).

(e). * Huntington Bancshares Incorporated Amended and Restated Incentive Compensation Plan, effective for performance cycles beginning on or after January 1, 1999 -- previously filed as Exhibit 10(e) to Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference.

(f)(1). * Amended and Restated Long-Term Incentive Compensation Plan, effective for performance cycles beginning on or after January 1, 1999 -- previously filed as Exhibit 10(f) to Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference.

(f)(2). * Amended and Restated Long-Term Incentive Compensation Plan, effective for performance cycles beginning on or after January 1, 1999 - reference is made to Form S-8, Registration No. 33-52394, filed with the Securities and Exchange Commission on December 21, 2000, and incorporated herein by reference.

(g)(1). * Supplemental Executive Retirement Plan with First and Second Amendments -- previously filed as Exhibit 10(g) to Annual Report on Form 10-K for the year ended December 31, 1987, and incorporated herein by reference.



(g)(2). * Third Amendment to Supplemental Executive Retirement Plan -- previously filed as Exhibit 10(k)(2) to Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference.

(g)(3). * Fourth Amendment to Supplemental Executive Retirement Plan -- previously filed as Exhibit 10(g)(3) to Annual Report on Form 10-K for the year ended December 31, 1999, and incorporated herein by reference.

(h). * Deferred Compensation Plan and Trust for Directors -- reference is made to Exhibit 4(a) of Post-Effective Amendment No. 2 to Registration Statement on Form S-8, Registration No. 33-10546, filed with the Securities and Exchange Commission on January 28, 1991, and incorporated herein by reference.

(i)(1). * 1983 Stock Option Plan -- reference is made to Exhibit 4A of Registration Statement on Form S-8, Registration No. 2-89672, filed with the Securities and Exchange Commission on February 27, 1984, and incorporated herein by reference.

(i)(2). * 1983 Stock Option Plan -- Second Amendment -- previously filed as Exhibit 10(j)(2) to Annual Report on Form 10-K for the year ended December 31, 1987, and incorporated herein by reference.

(i)(3). * 1983 Stock Option Plan -- Third Amendment -- previously filed as Exhibit 10(j)(3) to Annual Report on Form 10-K for the year ended December 31, 1987, and incorporated herein by reference.

(i)(4). * 1983 Stock Option Plan -- Fourth Amendment -- previously filed as Exhibit (m)(4) to Annual Report on Form 10-K for the year ended December 31, 1993, and incorporated herein by reference.

(i)(5). * 1983 Stock Option Plan -- Fifth Amendment -- previously filed as Exhibit (m)(5) to Annual Report on Form 10-K for the year ended December 31, 1996, and incorporated herein by reference.

(i)(6). * 1983 Stock Option Plan -- Sixth Amendment -- previously filed as Exhibit 10(c) to Quarterly Report on Form 10-Q for the quarter ended June 30, 2000, and incorporated herein by reference.

(j)(1). * 1990 Stock Option Plan -- reference is made to Exhibit 4(a) of Registration Statement on Form S-8, Registration No. 33-37373, filed with the Securities and Exchange Commission on October 18, 1990, and incorporated herein by reference.

(j)(2). * First Amendment to Huntington Bancshares Incorporated 1990 Stock Option Plan -- previously filed as Exhibit 10(q)(2) to Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference.

(j)(3). * Second Amendment to Huntington Bancshares Incorporated 1990 Stock Option Plan -- previously filed as Exhibit 10(n)(3) to Annual Report on Form 10-K for the year ended December 31, 1996, and incorporated herein by reference.

(j)(4). * Third Amendment to Huntington Bancshares Incorporated 1990 Stock Option Plan -- previously filed as Exhibit 10(b) to Quarterly Report on Form 10-Q for the quarter ended June 30, 2000, and incorporated herein by reference.

(k)(1). * The Huntington Supplemental Stock Purchase and Tax Savings Plan and Trust (as amended and restated as of February 9, 1990) -- previously filed as Exhibit 4(a) to Registration Statement on Form S-8, Registration No. 33-44208, filed with the Securities and Exchange Commission on November 26, 1991, and incorporated herein by reference.



(k)(2). * First Amendment to The Huntington Supplemental Stock Purchase and Tax Savings Plan and Trust Plan -- previously filed as Exhibit 10(o)(2) to Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference.

(l). * Deferred Compensation Plan and Trust for Huntington Bancshares Incorporated Directors -- reference is made to Exhibit 4(a) of Registration Statement on Form S-8, Registration No. 33-41774, filed with the Securities and Exchange Commission on July 19, 1991, and incorporated herein by reference.

(m). * Huntington Bancshares Incorporated Retirement Plan For Outside Directors -- previously filed as Exhibit 10(t) to Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.

(n). * Restated Huntington Supplemental Retirement Income Plan -- previously filed as Exhibit 10(n) to Annual Report on Form 10-K for the year ended December 31, 1999, and incorporated herein by reference.

(o)(1). * Amended and Restated 1994 Stock Option Plan -- previously filed as Exhibit 10(r) to Annual Report on Form 10-K for the year ended December 31, 1996, and incorporated herein by reference.

(o)(2). * Third Amendment to Huntington Bancshares Incorporated 1994 Stock Option Plan -- previously filed as Exhibit 10(a) to Quarterly Report on Form 10-Q for the quarter ended June 30, 2000, and incorporated herein by reference.

(p) * Employment Agreement, dated February 15, 2001, between Huntington Bancshares Incorporated and Thomas E. Hoaglin.

21. Subsidiaries of the Registrant.

23. Consent of Ernst & Young LLP, Independent Auditors.

99. Ratio of Earnings to Fixed Charges

- -------------

*Denotes management contract or compensatory plan or arrangement.

EXHIBIT 3 (ii)

# HUNTINGTON BANCSHARES INCORPORATED

# BYLAWS

(AMENDED AND RESTATED AS OF JANUARY 17, 2001)

## ARTICLE I.

## STOCKHOLDERS

SECTION 1.01. ANNUAL MEETING. The Corporation shall hold an annual meeting of its stockholders to elect directors and transact any other business within its powers, at such time and on such date during the thirty-one day period beginning March 30 and ending April 29 as the Board of Directors shall determine. In the absence of a determination by the Board of Directors, the annual meeting of stockholders shall be held at 3:00 p.m. on the third Thursday of April in each year if not a legal holiday, and if a legal holiday, then on the next secular day following. At the annual meeting, the stockholders shall elect a Board of Directors and may transact any other business as may be brought before the annual meeting by the Board of Directors or by any stockholder as set forth in Section 1.09 of these Bylaws.

SECTION 1.02. SPECIAL MEETING. At any time in the interval between annual meetings, a special meeting of the stockholders may be called by the Chairman of the Board, the President, a majority of the Board of Directors by vote at a meeting or in writing (addressed to the Secretary of the Corporation), or by the stockholders on the written request (addressed to the Secretary of the Corporation) of stockholders entitled to cast at least a majority of all the votes entitled to be cast at the meeting.

SECTION 1.03. PLACE OF MEETINGS. Meetings of stockholders shall be held at such place in the United States as is set from time to time by the Board of Directors.

SECTION 1.04. NOTICE OF MEETINGS; WAIVER OF NOTICE. Not less than ten nor more than 90 days before each stockholders' meeting, the Secretary shall give written notice of the meeting to each stockholder entitled to vote at the meeting and each other stockholder entitled by statute to notice of the meeting. The notice shall state the time and place of the meeting and, if the meeting is a special meeting or notice of the purpose is required by statute, the purpose of the meeting. Notice is given to a stockholder when it is personally delivered to him, left at his residence or usual place of business, or mailed to him at his address as it appears on the records of the Corporation. Notwithstanding the foregoing provisions, each person who is entitled to notice waives notice if he before or after the meeting signs a waiver of the notice which is filed with the records of stockholders' meetings, or is present at the meeting in person or by proxy.

SECTION 1.05. QUORUM; VOTING. Unless statute or the Charter provides otherwise, at any meeting of stockholders the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum, and a majority of all the votes cast at a meeting at which a quorum is present is sufficient to approve any matter which properly comes before the meeting, except that a plurality of all votes cast at a meeting at which a quorum is present is sufficient to elect a director.

SECTION 1.06. ADJOURNMENTS. Whether or not a quorum is present, a meeting of stockholders convened on the date for which it was called may be adjourned from time to time by the presiding officer or by the stockholders present in person or by proxy by a majority vote. Any business which might have been transacted at the meeting as originally notified may be deferred and transacted at any such adjourned meeting at which a quorum shall be present. No further notice of an adjourned meeting other than by announcement shall be necessary if held on a date not more than 120 days after the original record date.



SECTION 1.07. GENERAL RIGHT TO VOTE; PROXIES. Unless the Charter provides for a greater or lesser number of votes per share or limits or denies voting rights, each outstanding share of stock, regardless of class, is entitled to one vote on each matter to be submitted at a meeting of stockholders. A stockholder may vote the stock the stockholder owns of record either in person or by proxy. A stockholder may sign a writing authorizing another person to act as proxy. Signing may be accomplished by the stockholder or the stockholder's authorized agent signing the writing or causing the stockholder's signature to be affixed to the writing by any reasonable means, including facsimile signature. A stockholder may authorize another person to act as proxy by transmitting, or authorizing the transmission of, a telegram, cablegram, datagram, or other means of electronic transmission to the person authorized to act as proxy or to a proxy solicitation firm, proxy support service organization, or other person authorized by the person who will act as proxy to

receive the transmission. Unless a proxy provides otherwise, it is not valid more than 11 months after its date.

SECTION 1.08. NOMINATIONS OF PERSONS FOR ELECTION TO THE BOARD OF DIRECTORS. No person shall be appointed, nominated or elected a director of the Corporation after having attained the age of 75 years. Notwithstanding the above, no person who has been employed on a full-time basis by this Corporation or one of its direct or indirect subsidiaries may be appointed, nominated or elected a director of the Corporation after having attained the age of 65 years except (i) any such person who, as of the date of these Bylaws, is over the age of 65 years and is serving as a director and (ii) the current or former Chief Executive Officer of this Corporation.

Only persons nominated in accordance with the procedures set forth in this Section 1.08 shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors, or by any stockholder of the Corporation entitled to vote for the election of directors at such a meeting who complies with the notice procedures set forth in this Section 1.08. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 30 days nor more than 60 days prior to the date of a stockholder meeting; provided, however, that if less than 40 days' notice or prior public disclosure of the date of the stockholders' meeting is given or made to the stockholders, notice by the stockholder to be timely must be so delivered or received not later than the close of business on the 10th day following the earlier of (i) the day on which such notice of the date of the meeting was mailed or (ii) the day on which such public disclosure was made. A stockholder's notice to the Secretary shall set forth (i) as to each person whom the stockholder proposes to nominate for election as a director, (a) the name, age, business address and residence address of such person, (b) the principal occupation or employment of such person during each of the last five years, (c) the class and number of shares of the Corporation which are beneficially owned by such person on the date of such stockholder's notice, and (d) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, or any successor act or regulation (including without limitation such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (ii) as to the stockholder giving the notice, (a) the name and address, as they appear on the Corporation's books, of the stockholder and any other stockholders known by such stockholder to be supporting such nominees, and (b) the class and number of shares of the Corporation which are beneficially owned by such stockholder on the date of such stockholder's notice and by any other stockholders known by such stockholder to be supporting such nominees on the date of such stockholder's notice. The Corporation may require any proposed nominee to furnish such other information as may be reasonably required by the Corporation to determine the qualifications of such proposed nominee to serve as a director of the Corporation.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 1.08. The chairman of the stockholders meeting shall, if the facts



warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these Bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 1.09. STOCKHOLDER PROPOSALS. At an annual or special meeting of stockholders, only such business shall be conducted, and only such proposals shall be acted upon, as shall have been properly brought before such meeting. To be properly brought before a meeting of stockholders, business must be (i) in the case of a special meeting, specified in the notice of the special meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before a meeting of stockholders by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 30 days nor more than 60 days prior to the stockholder meeting; provided, however, that if less than 40 days' notice or prior public disclosure of the date of the meeting is given or made to the stockholders, notice by the stockholder to be timely must be so delivered or received not later than the close of business on the 10th day following the earlier of (i) the day on which such notice of the date of the meeting was mailed, or (ii) the day on which such public disclosure was made.

A shareholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before a meeting of stockholders, (i) a

brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and any stockholders known by such stockholder to be supporting such proposal, (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder on the date of such stockholder's notice and by any other stockholders known by such stockholder to be supporting such proposal on the date of such stockholder's notice, and (iv) any material interest of the stockholder in such proposal.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at a meeting of stockholders except in accordance with the procedures set forth in this Section 1.09. The chairman of the stockholder meeting shall, if the facts warrant, determine and declare to the meeting that the business was not properly brought before the meeting in accordance with the procedures prescribed by these Bylaws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 1.10. CONDUCT OF VOTING. At all meetings of stockholders, unless the voting is conducted by inspectors, the proxies and ballots shall be received, and all questions relating to the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided, by the chairman of the meeting. If demanded by stockholders, present in person or by proxy, entitled to cast 10% in number of votes entitled to be cast, or if ordered by the chairman of the meeting, the vote upon any election or question shall be taken by ballot and, upon like demand or order, the voting shall be conducted by two inspectors, in which event the proxies and ballots shall be received; and all questions relating to the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided, by such inspectors. Unless so demanded or ordered, no vote need be by ballot and voting need not be conducted by inspectors. The stockholders at any meeting may choose an inspector or inspectors to act at such meeting, and in default of such election, the chairman of the meeting may appoint an inspector or inspectors. No candidate for election as a director at a meeting shall serve as an inspector.



## ARTICLE II.

## BOARD OF DIRECTORS

SECTION 2.01. FUNCTION OF DIRECTORS. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors. All powers of the Corporation may be exercised by or under authority of the Board of Directors, except as conferred on or reserved to the stockholders by statute or by the Charter or these Bylaws.

SECTION 2.02. NUMBER OF DIRECTORS. The Corporation shall have the number of directors provided by the Charter until changed as provided in this Section 2.02. A majority of the entire Board of Directors may alter the number of directors set by the Charter to not more than 25 nor less than three directors; provided that any such action may not affect the tenure of office of any director.

SECTION 2.03. ELECTION AND TENURE OF DIRECTORS. Beginning with the election of directors in 1987, the Board of Directors shall be divided into three classes, Class 1, Class II and Class III. Each such class shall consist, as nearly as possible, of one-third of the total number of directors, and any remaining directors shall be included within such class or classes as the Board of Directors shall designate. At the annual meeting of stockholders in 1987, Class I directors shall be elected for a one-year term, Class II directors for a two-year term, and Class III directors for a three-year term. Except as provided in Section 2.04 of this Article II, at each succeeding annual meeting of stockholders beginning in 1988, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible. Any director who has been employed on a full-time basis by the Corporation and who has attained the age of 65 years, or any other director who has attained the age of 75 years, shall retire effective on the date of the next annual meeting of stockholders. Notwithstanding the foregoing, any director who has been employed on a full-time basis by the Corporation and (i) who, as of the date of these Bylaws has attained the age of 65 years or (ii) is the current or former Chief Executive Officer of this Corporation, shall retire effective on the date of next annual meeting of stockholders after such director attains the age of 75 years. A director may otherwise be removed from office for cause only and, subject to such removal, death, resignation, retirement or disqualification, shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and qualify.

SECTION 2.04. VACANCY ON BOARD. The stockholders may elect a successor to fill a vacancy on the Board of Directors which results from the retirement or removal of a director. A director elected by the stockholders to fill such a

vacancy serves for the balance of the term of the retired or removed director. A majority of the remaining directors, whether or not sufficient to constitute a quorum, may fill a vacancy on the Board of Directors which results from any cause except an increase in the number of directors and a majority of the entire Board of Directors may fill a vacancy which results from an increase in the number of directors. A director elected by the Board of Directors to fill a vacancy serves until the next annual meeting of stockholders and until his successor is elected and qualifies.

SECTION 2.05. REGULAR MEETINGS. After each annual meeting of stockholders at which directors shall have been elected, the Board of Directors shall meet as soon as practicable for the purpose of organization and the transaction of other business. Such first regular meeting shall be held at any place as may be designated by the Chairman, President or Board of Directors for such first regular meeting, or in default of such designation at the place of the holding of the immediately preceding meeting of stockholders. Any other regular meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Chairman of the Board. No notice of such regular meetings shall be necessary if held as hereinabove provided.



SECTION 2.06. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, the President or by a majority of the then-acting directors by vote at a meeting or in writing, or by a majority of the members of the executive committee, if one be constituted, by vote at a meeting or in writing. A special meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors. In the absence of such designation, such meeting shall be held at such place as may be designated in the call.

SECTION 2.07. NOTICE OF MEETING. Except as provided in Section 2.05, the Secretary shall give notice or cause to be given to each director of each regular and special meeting of the Board of Directors. The notice shall state the time and place of the meeting. Notice is given to a director when it is delivered personally to him, left at his residence or usual place of business, or sent by telegraph or telephone, at least 48 hours before the time of the meeting or, in the alternative, by mail to his address as it shall appear on the records of the Corporation, at least 72 hours before the time of the meeting; provided, however, that notice of a special meeting which is called by the Chairman or the President is given to a director when it is delivered personally to him or sent by telegraph or telephone at least one hour before the time of the meeting. Unless these Bylaws or a resolution of the Board of Directors provides otherwise, the notice need not state the business to be transacted at or the purposes of any regular or special meeting of the Board of Directors. No notice of any meeting of the Board of Directors need be given to any director who attends, or to any director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any regular or special meeting of the Board of Directors may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

SECTION 2.08. ACTION BY DIRECTORS. Unless statute, the Charter or these Bylaws requires a greater proportion, the action of a majority of the directors present at a meeting at which a quorum is present is the action of the Board of Directors. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. In the absence of a quorum, the directors present, by majority vote and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if an unanimous written consent which sets forth the action is signed by each member of the Board of Directors and filed with the minutes of the proceedings of the Board of Directors.

SECTION 2.09. MEETING BY CONFERENCE TELEPHONE. Members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

SECTION 2.10. COMPENSATION. The Board of Directors shall have the authority to fix the compensation of the Directors. The directors may be paid their expenses, if any, of attendance at each regular and special meeting of the Board of Directors or committees thereof. In addition, by resolution of the Board of Directors, a stated annual retainer and/or a fixed sum for attendance at each regular or special meeting of the Board of Directors or committees thereof, and other compensation for their services as such, may be paid to directors. A director who serves the Corporation in any other capacity also may receive compensation for such other services.

ARTICLE III.

COMMITTEES

SECTION 3.01. COMMITTEES. The Board of Directors may appoint from among its members an Executive Committee and other committees composed of two or more directors and delegate to these committees any of the powers of the Board of Directors, except the power to declare dividends or other distributions on stock, elect directors, issue stock other than as provided in the next sentence, recommend to the stockholders any action which requires stockholder approval, amend these Bylaws, or approve any merger or share exchange which does not require stockholder approval. If the Board of Directors has given general authorization for the issuance of stock, a committee of the Board of Directors, in accordance with a general formula or method specified by the Board of Directors by resolution or by adoption of a stock option or other plan, may fix the terms of stock subject to classification or reclassification and the terms on which any stock may be issued, including all terms and conditions required or permitted to be established or authorized by the Board of Directors.

SECTION 3.02. COMMITTEE PROCEDURE. The Board of Directors shall have the power to prescribe the manner in which proceedings of each committee shall be held. Unless the Board of Directors shall otherwise provide, the actions of each committee shall be governed by the following rules of procedure. A majority of the members of a committee shall constitute a quorum for the transaction of business and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the committee. The members of a committee present at any meeting, whether or not they constitute a quorum, may appoint a director to act in the place of an absent member. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting, if an unanimous written consent which sets forth the action is signed by each member of the committee and filed with the minutes of the committee. The members of a committee may conduct any meeting thereof by conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting. In the absence of any prescription by the Board of Directors or any applicable provision of these Bylaws, each committee may prescribe the manner in which its proceedings shall be conducted.

SECTION 3.03. DELEGATION. The Board of Directors may delegate to officers, employees or agents, the performance of duties not specifically required by law or these Bylaws to be performed by the Board of Directors.

ARTICLE IV.

OFFICERS

SECTION 4.01. EXECUTIVE AND OTHER OFFICERS. The Corporation shall have a President, a Secretary, and a Treasurer and may also have a Chairman of the Board, which officers shall be the executive officers of the Corporation. The Board of Directors may designate who shall serve as Chief Executive Officer, having general supervision of the business and affairs of the Corporation, and as Chief Operating Officer, having supervision of the operations of the Corporation. In the absence of designation the Chairman shall serve as Chief Executive Officer. The Corporation may also have one or more Vice Presidents (which may be designated Executive Vice President, Senior Vice President or Vice President), assistant officers and such other officers as may be established by the Board of Directors. A person may hold more than one office in the Corporation but may not serve concurrently as both President and Vice President of the Corporation. The Chairman of the Board and President shall be directors. The other officers may be directors.

SECTION 4.02. ELECTION, TENURE AND REMOVAL OF OFFICERS. The Board of Directors shall elect the officers or may from time to time authorize any committee or officer to appoint any officer subordinate to the



level of Senior Vice President, including any Vice President and any assistant and subordinate officers. The officers shall be appointed to hold their respective offices during the pleasure of the Board of Directors. The Board of Directors or, as to any assistant or subordinate officer, any committee or officer authorized by the Board of Directors, may remove an officer at any time. The removal of an officer does not prejudice any of his contractual rights. The Board of Directors or, as to any assistant or subordinate officer, any committee or officer authorized by the Board of Directors, may fill a vacancy which occurs in any office.

SECTION 4.03. CHAIRMAN OF THE BOARD. The Chairman of the Board, if one be elected, shall preside at all meetings of the Board of Directors and of the stockholders at which he shall be present; he may sign and execute, in the name of the Corporation, all authorized deeds, mortgages, bonds, contracts or other instruments of every description. In general, he shall perform all such duties as are from time to time assigned to him by the Board of Directors.

SECTION 4.04. PRESIDENT. The President, in the absence of the Chairman of the Board, shall preside at all meetings of the Board of Directors and of the stockholders at which he shall be present; he may sign and execute, in the name of the Corporation, all authorized deeds, mortgages, bonds, contracts or other instruments of every description. In general, he shall perform all duties usually performed by a president of a corporation and such other duties as are from time to time assigned to him by the Board of Directors or the Chief Executive Officer of the Corporation.

SECTION 4.05. VICE PRESIDENTS. The Vice President or Vice Presidents, at the request of the Chief Executive Officer or the President, or in the President's absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. If there be more than one Vice President, the Board of Directors may determine which one or more of the Vice Presidents shall perform any of such duties or exercise any of such functions, or if such determination is not made by the Board of Directors, the Chief Executive Officer, or the President may make such determination; otherwise any of the Vice Presidents may perform any of such duties or exercise any of such functions. The Vice President or Vice Presidents shall have such other powers and perform such other duties, and have such additional descriptive designations in their titles, if any, as are from time to time assigned to them by the Board of Directors, the Chief Executive Officer, or the President.

SECTION 4.06. SECRETARY. The Secretary shall keep the minutes of the meetings of the stockholders and the Board of Directors in books provided for such purpose; he shall see that all notices are duly given in accordance with the provision of these Bylaws or as required by law; he shall be custodian of the records of the Corporation; he may witness any document on behalf of the Corporation, the execution of which is duly authorized, see that the corporate seal is affixed where such document is required or desired to be under its seal, and, when so affixed, may attest the same; and, in general, he shall perform all duties incident to the office of a secretary of a corporation, and such other duties as are from time to time assigned to him by the Board of Directors, the Chief Executive Officer, or the President.

SECTION 4.07. TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the executive officers. He shall render to the Chief Executive Officer, the President and the Board of Directors, whenever requested, an account of the financial condition of the Corporation; and, in general, he shall perform all the duties incident to the office of a treasurer of a corporation, and such other duties as are from time to time assigned to him by the Board of Directors, the Chief Executive Officer, or the President.

SECTION 4.08. ASSISTANT AND SUBORDINATE OFFICERS. The assistant and subordinate officers of the Corporation are all officers below the office of Vice President, Secretary, or Treasurer. The assistant or subordinate officers shall have such duties as are from time to time assigned to them by the Board of Directors,



the Chief Executive Officer, the President or any committee or officer authorized by the Board of Directors to appoint any such assistant and subordinate officers.

## ARTICLE V.

## STOCK

SECTION 5.01. CERTIFICATES FOR STOCK. Each stockholder is entitled to certificates which represent and certify the shares of stock he holds in the Corporation. Each stock certificate shall include on its face the name of the Corporation, the name of the stockholder or other person to whom it is issued, and the class of stock and number of shares it represents. The certificate shall be in such form, not inconsistent with law or with the Charter, as shall be approved by the Board of Directors or any officer or officers designated for such purpose by resolution of the Board of Directors. Each stock certificate shall be signed by the Chairman of the Board, the President, or a Vice President, and countersigned by the Secretary, an Assistant Secretary, the Treasurer, or an Assistant Treasurer. Each certificate may be sealed with the actual corporate seal or a facsimile of it or in any other form and the signatures may be either manual or facsimile signatures. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued.

SECTION 5.02. TRANSFER. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates of stock; and may appoint transfer agents and registrars thereof. The duties of transfer agent and registrar may be combined.

SECTION 5.03. RECORD DATE AND CLOSING OF TRANSFER BOOKS. The Board of Directors may set a record date or direct that the stock transfer books be closed for a stated period for the purpose of making any proper determination with respect to the stockholders, including which stockholders are entitled to notice of a meeting, vote at a meeting, receive a dividend, or be allotted other rights. The record date may not be prior to the close of business on the day the record date is fixed and may not be more than 90 days before the date on which the action requiring the determination will be taken; the transfer books may not be closed for a period longer than 20 days; and, in the case of a meeting of stockholders, the record date or the closing of the transfer books shall be at least ten days before the date of the meeting.

SECTION 5.04. STOCK LEDGER. The Corporation shall maintain a stock ledger which contains the name and address of each stockholder and the number of shares of stock of each class which the stockholder holds. The stock ledger may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. The original or a duplicate of the stock ledger shall be kept at the offices of a transfer agent for the particular class of stock, or, if none, at the executive offices of the Corporation.

SECTION 5.05. LOST STOCK CERTIFICATES. The Board of Directors of the Corporation may determine the conditions for issuing a new stock certificate in place of one which is alleged to have, been lost, stolen, or destroyed, or the Board of Directors may delegate such power to any officer or officers of the Corporation. In their discretion, the Board of Directors or such officer or officers may refuse to issue such new certificate save upon the order of some court having jurisdiction in the premises.



ARTICLE VI.

FINANCE

SECTION 6.01. CHECKS, DRAFTS, ETC. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Corporation, shall be signed by such agents as may be designated from time to time by the Board of Directors or authorized officers of the Corporation.

SECTION 6.02. ANNUAL STATEMENT OF AFFAIRS. The Chairman, President, a Vice President or the Treasurer shall prepare or cause to be prepared annually a full and correct statement of the affairs of the Corporation, including a balance sheet and a financial statement of operations for the preceding fiscal year.

SECTION 6.03. FISCAL YEAR. The fiscal year of the Corporation shall be the twelve calendar months period ending December 31 in each year, unless otherwise provided by the Board of Directors.

SECTION 6.04. DIVIDENDS. If declared by the Board of Directors at any meeting thereof, the Corporation may pay dividends on its shares in cash, property, or in shares. of the capital stock of the Corporation, unless such dividend is contrary to law or to a restriction contained in the Charter.

ARTICLE VII.

SUNDRY PROVISIONS

SECTION 7.01. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and Board of Directors and of any executive or other committee when exercising any of the powers of the Board of Directors. The books and records of the Corporation may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of these Bylaws shall be kept at the principal office of the Corporation.

SECTION 7.02. CORPORATE SEAL. The Board of Directors shall provide a suitable seal, bearing the name of the Corporation, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof. If the Corporation is required to place its corporate seal to a document, it is sufficient to meet the requirement of any law, rule, or regulation relating to a corporate seal to place the word "Seal" adjacent to the signature of the person authorized to sign the document on behalf of the Corporation.

SECTION 7.03. BONDS. The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

SECTION 7.04. VOTING UPON SHARES IN OTHER CORPORATIONS. Stock of other corporations or associations which is registered in the name of, or beneficially owned by, the Corporation, or which the Corporation is entitled to vote or direct the voting of in its fiduciary capacity or otherwise, may be voted by the Chairman, the President, any Vice President, or a proxy appointed by any of them. The Board of Directors, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

SECTION 7.05. EXECUTION OF DOCUMENTS. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.



SECTION 7.06. AMENDMENTS. The Board of Directors shall have the power, at any regular or special meeting thereof, to amend, alter or repeal the Bylaws of the Corporation, or to make and adopt new bylaws. These Bylaws may be amended, altered or repealed and new bylaws may be adopted by the stockholders of the Corporation to the extent and as provided in the Charter of the Corporation.

EXHIBIT 10 (a)

# EMPLOYMENT AGREEMENT

THIS AGREEMENT made effective as of the 15th day of February, 2001 by and between HUNTINGTON BANCSHARES INCORPORATED, a Maryland corporation, with its principal office at the Huntington Center, 41 South High Street, Columbus, OH 43287 ("Huntington") and FRANK WOBST, residing at 129 North Columbia Avenue, Columbus, OH 43209 ("Executive").

## R E C I T A L S:

WHEREAS, Executive currently is employed by Huntington as the Chairman of the Board and Chief Executive Officer of Huntington;

WHEREAS, Huntington desires to continue to employ Executive as its Chairman of the Board and Chairman of the Executive Committee for the Board and secure for itself the continued services of Executive upon the terms and conditions specified herein; and

WHEREAS, Executive wishes to continue his employment by Huntington.

## A G R E E M E N T:

NOW, THEREFORE, in consideration of such continued employment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

I. EMPLOYMENT DUTIES AND TERM.

A. Executive shall perform such duties as Huntington through its Board of Directors from time to time shall determine; provided, however, that such duties shall be comparable to those performed by the Chairman of the Board and ordinarily expected of executive officers of Huntington and its subsidiaries and affiliates. Executive shall devote his full time and attention and best efforts to the performance of such duties. Executive shall serve as an officer of Huntington and as an officer of any of its affiliate corporations, if duly elected at any time or times during the term of this Agreement.

B. Executive's employment and the initial term of this Agreement shall be for a period commencing on February 15, 2001 ("Commencement Date"), and ending on December 31, 2002 ("Termination Date"), unless terminated at an earlier date pursuant to an event described in Section III of this Agreement (referred to hereafter as the "employment period"). After the initial term, upon agreement by both Executive and Huntington this Agreement may be renewed on December 31, 2002 on terms agreed to by the parties hereto.



II. COMPENSATION.

Huntington agrees to pay to Executive and Executive agrees to accept the following amounts as compensation in full for his services in any capacity hereunder, including services as an officer, director or member of any committee or in the performance of other like duties assigned to him by the Board of Directors of Huntington.

A. BASE COMPENSATION. Huntington shall pay to Executive a base annual salary in the amount equal to the current annual base salary of Executive, payable in equal bi-weekly installments plus such increased base annual compensation that the Board of Directors of Huntington may authorize as provided herein (the "Minimum Annual Base Salary"). The compensation of Executive shall be reviewed in good faith by both parties no less often than every fifteen (15) months and may be increased by mutual consent, but in no event shall the annual base salary be less than the Minimum Annual Base Salary described above.

B. PARTICIPATION IN CORPORATION'S INCENTIVE COMPENSATION PLANS. Executive currently participates in Huntington's Incentive Compensation Plan and Huntington's Long-Term Incentive Compensation Plan, as in effect on the date hereof (both which shall be referred to hereinafter as the "Incentive Compensation Plans"). As additional compensation, Executive shall continue to

participate in the Incentive Compensation Plans.

C. PARTICIPATION IN RETIREMENT PLAN AND RIGHTS UNDER OTHER AGREEMENTS. Executive shall be entitled to certain rights and benefits as in effect on the date hereof under a) the Huntington Stock Purchase and Tax Savings Plan (the "Stock Plan"), b) the Huntington Supplemental Stock Purchase and Tax Savings Plan (the "Supplemental Stock Plan") c) Huntington's noncontributory retirement plan for salaried employees, qualified under Section 401(a) of the Internal Revenue Code (the "Qualified Plan"), d) Huntington's nonqualified, unfunded, non-contributory Supplemental Executive Retirement Plan (the "SERP"), e) Huntington's Supplemental Retirement Income Plan (the "SRIP") and f) the 1994 Stock Option Plan or any successor or additional stock option plans (the "Stock Option Plans"). Executive's rights and benefits under such plans shall continue in effect and shall not in any manner be altered or affected by this Agreement other than any increase in benefits as a result of the terms of this Agreement. Notwithstanding any other provision contained in the Stock Option Plan, in the event Executive's employment is terminated for any reason, he shall have a period of not less than ninety (90) days in which to exercise any stock option provided pursuant to the Stock Option Plan, provided, however, that the period during which such options can be exercised will be such longer period if provided under the terms of such Stock Option Plan.

D. OTHER FRINGE BENEFITS. In addition to the benefits provided for in subsections (B) and (C) of this Section II, Executive shall receive and enjoy other fringe benefits, including without limitation participation in or coverage under: transition pay plan, health care insurance (including any health care and dependent care flexible spending account plan), long term and short term disability insurance, group life insurance, business travel insurance, employee assistance plan, executive life insurance (group universal life insurance), Section 125 premium only cafeteria plan and tuition reimbursement plan, paid vacations, use of a corporate automobile and all reasonable maintenance and service costs associated therewith, financial consulting and tax return preparation allowance, paid reserved parking, and payment of dues in those professional organizations in which he is currently a member. All such fringe benefits shall be at least comparable in scope and amount to that which Executive enjoys on the date hereof. In addition, Executive shall be entitled to reimbursement for all out-of-pocket expenses incurred by Executive in the performance of his duties hereunder; provided that such reimbursement shall be in accordance with Huntington's then existing policy regarding the same.



E. PARTICIPATION IN FUTURE COMPENSATION, RETIREMENT, AND FRINGE BENEFIT PLANS. In addition to the benefits provided for in subsections (B), (C), and (D) of this Section II, Executive shall participate in and shall also receive and enjoy such other compensation, retirement, or fringe benefits which are now or in the future made available to executives of Huntington.

F. DISCONTINUANCE OF FRINGE BENEFITS. If at any time prior to the termination of Executive's employment in accordance with the terms of this Agreement, Huntington shall for any reason discontinue or cause a material reduction in retirement or fringe benefits specified in subsections (C) and (D) of this Section II, Huntington shall thereupon immediately, at its expense, provide Executive with individual coverage or benefits comparable to (and not less beneficial than) the benefits in existence prior to such discontinuance or material reduction until termination of this Agreement.

G. DEFERRED COMPENSATION. Huntington agrees that, if requested by Executive, it will enter into an unfunded deferred compensation agreement acceptable to Executive providing for the deferral at the election of Executive of certain compensation payable to Executive.

H. SECURITY. Corporate officers in positions similar that occupied by Executive have by virtue of their position in the recent past been the target of kidnapping, burglary, robbery, extortion, hostage, hijacking and other threats to the health, life, safety and property of similarly situated officers. In order to reduce the risk of harm to Executive, Executive shall be entitled to receive from time to time, if and whenever Executive, Huntington's Director of Security and, to the extent utilized by Huntington, any independent security consultant determine, at Huntington's expense, security services and protection as they determine to be appropriate under the circumstances. Such security services may include, but not by way of limitation: (a) at Executive's customary residences, dedicated phone lines for audio, data and alarm transmission, fire, smoke, intrusion detection and alarm systems and devices, perimeter protection, including fences, gates and camera; (b) the employment of one or more personal security escorts; and (c) the use by Executive, and when accompanied by Executive, Executive's spouse, and children of corporate owned or leased secure aircraft for air travel.

III. TERMINATION.

A. DISABILITY. If during the term of this Agreement Executive shall be unable to perform substantially his duties hereunder because of illness or other incapacity (referred to hereafter as "Disability"), and such Disability shall continue for a period of more than six (6) consecutive months in any twelve month period, Huntington shall thereafter have the right, on not less than forty-five (45) days written notice to Executive, to terminate this Agreement, in which case the date of termination shall be not less than the forty-fifth (45th) day following the date of written notice. In such event, in addition to any other benefits to which Executive would be entitled, Huntington shall be obligated to pay Executive his full compensation pursuant to Sections II (A) and (B) hereof up to the date of termination; thereafter Huntington shall be obligated to pay Executive an amount equal to two-thirds (2/3) of the base salary pursuant to Section II(A) hereof less any benefits which Executive receives during such period from any disability insurance program which Huntington may provide Executive. The compensation provided under this paragraph shall continue for the full period of Disability or until the Termination Date, whichever first occurs.

A determination of Disability shall be subject to the certification of a qualified medical doctor agreed to by Huntington and Executive or, in the event of Executive's incapacity to designate a qualified medical doctor, by Executive's legal representative. If Huntington and Executive fail to agree upon a qualified medical doctor, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Disability.

Executive's compensation and benefits described in Section II shall be reinstated in full upon his return to employment and the discharge of his full duties hereunder.



B. DEATH. In the event of Executive's death during his employment hereunder, in addition to any other benefits to which any person would be entitled upon Executive's death, his bi-weekly compensation under Section II(A) shall continue until the last day of the sixth full calendar month following the month in which his death occurs. Compensation to which Executive is entitled pursuant to Section II(B) hereof shall be paid pursuant to the terms of Huntington's Incentive Compensation Plans. Executive's compensation for the period following his death shall be paid to the beneficiary indicated on the Beneficiary Designation attached hereto as Exhibit A.

C. VOLUNTARY TERMINATION. Except as provided for in the Executive Agreement dated April 1, 1998, between Executive and Huntington (the "Executive Agreement") a copy of which is attached hereto as Exhibit B, in the event Executive voluntarily terminates his employment, he shall cease to receive compensation as of the date of termination of his employment, except that to which he is then entitled pursuant to Huntington's Incentive Compensation Plans.

D. TERMINATION FOR CAUSE. In the event that the Board of Directors determines that Executive's employment pursuant to this Agreement should be terminated for cause, Executive shall be entitled: (a) to receive the compensation to which he is entitled pursuant to Huntington's Incentive Compensation Plans, and (b) to continue to receive as severance pay the bi-weekly installments as described in Section II(A) for three (3) full calendar months following the date of termination. "Cause" means fraud, embezzlement, gross negligence, or willful misconduct by Executive in the performance of his duties or a material default by Executive of his duties hereunder. For purposes of this paragraph, no act or failure to act on Executive's part shall be considered "willful" unless done or omitted to be done by him not in good faith and without reasonable belief that his action or omission was in the best interest of Huntington. If Huntington decides to terminate this Agreement as provided in this Section, Huntington will give Executive 60 days advance written notice of its intention to terminate this Agreement. If, within such 60-day period Executive notifies Huntington that a dispute exists concerning the termination, the termination of this Agreement will occur on the earlier of the Termination Date or the date the dispute is finally determined by agreement of the parties or by a court of competent jurisdiction.

E. TERMINATION WITHOUT CAUSE. In the event that the Board of Directors determines that this Agreement and the employment of Executive should be terminated without cause, Executive, or his designated beneficiary, shall be entitled to full compensation, retirement and fringe benefits in accordance with Section II herein (1) until the Termination Date or (2) for six months after termination, whichever is longer.

F. CHANGE OF CONTROL. In the event that Huntington shall have undergone a Change of Control, in lieu of any compensation otherwise provided under this Agreement, Executive shall be entitled to the benefits described in the Executive Agreement upon the termination of his employment, either voluntarily by Executive or by Huntington for any reason except Executive's Disability or death. For purposes of this Agreement "Change of Control" shall have the meaning defined in the Executive Agreement.

G. MITIGATION. In the event that Executive voluntarily

terminates his employment, as set forth in Section III(C) herein, or Executive's employment pursuant to this Agreement is terminated for cause, as set forth in Section III(E) herein, or Executive is terminated pursuant to a Change of Control, as set forth in Section III(F) herein, Executive shall have no duty to mitigate his damages by seeking other Employment, and Huntington shall not be entitled to set off against amounts payable hereunder any compensation which he may receive from future employment.



IV. EXECUTIVE'S RIGHTS UNDER CERTAIN PLANS.

Notwithstanding anything contained herein, Huntington agrees that the benefits provided to Executive herein are not in lieu of any rights and privileges to which Executive may be entitled as an employee of Huntington under any retirement, pension, insurance, hospitalization, or other plan which may now or hereafter be in effect, it being understood that, except to the extent currently provided in such plans, Executive shall have the same rights and privileges to participate in such plans or benefits as any other employee of Huntington.

If Executive shall be entitled to participate in any retirement or fringe benefit plan pursuant to the terms of this Agreement after the cessation of his employment and if the terms of any such retirement or fringe benefit plan do not permit continued participation by Executive after termination of employment, then Huntington will arrange for other coverage at Huntington's expense providing substantially similar benefits.

If continued participation in any retirement plan is not permitted by law or the terms of the plan, Huntington shall pay to Executive or, if applicable, his beneficiary, a supplemental benefit equal to the value on the date of termination of employment of the excess of (i) the benefit Executive would have been paid under such plan if he had continued to be covered as if Executive had earned compensation described under Section II above and had made contributions sufficient to earn the maximum matching contribution, if any, under such plan (less any amounts he would have been required to contribute), over (ii) the benefit actually payable to or on behalf of the Executive under such plan. For purposes of determining the benefit under (i) in the preceding sentence, contributions deemed to be made under a defined contribution plan will be deemed to be invested in the same manner as Executive's account under such plan at the time of termination of employment. Huntington shall pay such supplemental benefits (if any) in a lump sum within 60 days of the termination of employment.

V. CONFIDENTIAL INFORMATION.

Executive agrees to receive Confidential Information (defined below) of Huntington in confidence, and not to disclose to others, assist others in the application of, or use for his own gain, such information, or any part thereof, unless and until it has become public knowledge or has come into the possession of such other or others by legal and equitable means and other than as a result of disclosure by Executive. Executive further agrees that, upon termination of his employment with Huntington, all documents, records, notebooks, and similar repositories containing Confidential Information, including copies thereof, then in Executive's possession, whether prepared by him or others, will be left with Huntington. For purposes of this Section V, "Confidential Information" means information disclosed to Executive or known by Huntington, not generally known in the business in which Huntington is or may become engaged, including, but not limited to, information about Huntington's services, trade secrets, financial information, customer lists, books, records, memoranda, and other proprietary information of Huntington.

Executive further agrees that during the employment period he will devote substantially all of his time and effort to the performance of his duties hereunder and will refrain from engaging on his own behalf or on the behalf of a third party in any line of activities or business in which Huntington is or may become engaged.



VI. PLACE OF PERFORMANCE.

In connection with his employment by Huntington, Executive shall not be required to relocate or transfer his principal residence and shall not be required to perform services which would make the continuance of his principal residence in Columbus, Ohio, unreasonably difficult or inconvenient for him. Huntington shall give Executive at least three months' advance notice of any relocation of its principal executive offices to a location more than fifty miles from Executive's principal residence in Columbus, Ohio. In the event that Executive shall thereupon elect to relocate his principal residence within fifty miles of the principal executive offices of Huntington, Huntington shall

promptly pay (or reimburse Executive for) all reasonable relocation expenses incurred by Executive relating to a change of his principal residence in connection with any such relocation of Huntington's principal executive offices. In the event that Executive shall not relocate his principal residence, he shall make himself available for performance in Columbus, Ohio, of the services described in Section I herein.

VII. SUCCESSORS.

A. This Agreement shall inure to the benefit of and be binding upon Huntington, its successors and assigns, including without limitation, any person, partnership, or corporation which may acquire voting control of Huntington or all or substantially all of the Huntington's assets and business, or which may be a party to any consolidation, merger, or other transaction that results in a Change of Control of Huntington.

B. This Agreement shall also inure to the benefit of and be binding on Executive, his heirs, successors, and legal representatives.

VIII. COBRA CONTINUATION COVERAGE.

Notwithstanding any provision of this Agreement to the contrary, in the event of any qualifying event, as defined in Section 162(k) of the Internal Revenue Code (the "Code"), Executive and his qualifying beneficiaries shall be entitled to continuation of health care coverage, as provided under Section 162(k) of the Code. The foregoing is intended as a statement of Executive's continuation coverage rights and is in no way intended to limit any greater rights of Executive or his qualified beneficiaries under this Agreement. If a greater benefit is available to Executive or his qualifying beneficiaries under this Agreement or otherwise, Executive or his qualified beneficiaries may forego continuation coverage and elect instead such greater benefit.

IX. INDEMNIFICATION.

Huntington, as provided for in its Articles of Association, shall indemnify Executive to the full extent of the general laws of the State of Maryland, now or hereafter in force, including the advance of expenses under procedures provided by such laws.

X. ENTIRE AGREEMENT.

This Agreement contains the entire agreement of the parties hereto with respect to the employment of Executive by Huntington, and completely supersedes any prior employment agreements or arrangements between the parties hereto. The parties hereto agree that this Agreement cannot be hereafter amended, modified, or supplemented in any respect, except by a subsequent written agreement signed by both parties hereto.



XI. APPLICABLE LAW.

This Agreement shall be governed in all respects by the laws of the State of Ohio.

XII. NOTICES.

All notices under this Agreement shall be in writing, and will be duly sent if sent by registered or certified mail to the respective parties' addresses shown hereinabove, or such other addresses as the parties may hereafter designate in writing for such purpose.

XIII. ASSIGNMENT.

Except as expressly provided herein, neither this Agreement nor any rights, benefits, or obligations hereunder may be assigned by Huntington or Executive without the prior written consent of the other.

XIV. WAIVER.

The failure by a party to exercise or enforce any of the terms or conditions of this Agreement will not constitute or be deemed a waiver of that party's rights hereunder to enforce each and every term of this Agreement. The failure by a party to insist upon strict performance of any of the terms and provisions herein will not be deemed a waiver of any subsequent default in the terms or provisions herein.

XV. RIGHTS AND REMEDIES CUMULATIVE.

All rights and remedies of the parties hereunder are cumulative.

XVI. DIVISIBILITY.

The provisions of this Agreement are divisible. If any such provision shall be deemed invalid or unenforceable, itshall not affect the applicability or validity of any other provision of this Agreement, and if any such provision shall be deemed invalid or unenforceable as to any periods of time, territory, or business activities, such provision shall be deemed limited to the extent necessary to render it valid and enforceable.

XVII. CAPTIONS AND TITLES.

Captions and titles have been used in this Agreement only for convenience and in no way define, limit, or describe the meaning of any Article or any part thereof.

XVIII. CAPITALIZED TERMS.

Capitalized terms not otherwise defined herein have the meaning given in the Executive Agreement.



IN WITNESS WHEREOF, the parties have signed this Agreement which is effective immediately on the date and year first above written.

| ATTEST | Huntington Bancshares Incorporated |
|---|---|
| /s/ Richard A, Cheap | By: /s/ Timothy P. Smucker |
| Richard A. Cheap, Secretary | Timothy P. Smucker<br>Its: Chairman of the Board's Compensation and Stock Option Committee |
| | /s/ FRANK WOBST |
| | Frank Wobst |

EXHIBIT 10(d)

SCHEDULE IDENTIFYING MATERIAL DETAILS OF
EXECUTIVE AGREEMENTS SUBSTANTIALLY
SIMILAR TO EXHIBIT 10(b)

| NAME | EFFECTIVE DATE |
| --- | --- |
| Thomas E. Hoaglin | February 15, 2001 |
| Michael J. McMennamin | November 14, 2000 |
| Ronald J. Seiffert | April 1, 1998 |
| Frank Wobst | April 1, 1998 |

SCHEDULE IDENTIFYING MATERIAL DETAILS OF
EXECUTIVE AGREEMENTS SUBSTANTIALLY
SIMILAR TO EXHIBIT 10(c)

| NAME | EFFECTIVE DATE |
| --- | --- |
| Daniel B. Benhase | August 16, 2000 |
| Richard A. Cheap | May 4, 1998 |
| Martin P. Mahan | February 16, 2000 |

EXHIBIT 10(p)

# EMPLOYMENT AGREEMENT

THIS AGREEMENT made effective February 15, 2001 by and between HUNTINGTON BANCSHARES INCORPORATED, a Maryland corporation, with its principal office at the Huntington Center, 41 South High Street, Columbus, OH 43287 ("Huntington") and THOMAS E. HOAGLIN, residing at 209 Bent Pine Trace, Hendersonville, North Carolina 28739 ("Executive").

## R E C I T A L S:

WHEREAS, Executive desires to be employed by Huntington as President and Chief Executive Officer of Huntington;

WHEREAS, Huntington desires to employ Executive and secure for itself the services of Executive upon the terms and conditions specified herein; and

## A G R E E M E N T:

NOW, THEREFORE, in consideration of such employment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

### I. Employment Duties and Term.

A. Executive shall perform such duties as Huntington through its Board of Directors from time to time shall determine; provided, however, that such duties shall be comparable to those ordinarily expected of the President and Chief Executive Officer of Huntington. Executive shall devote substantially all of his time and effort to the performance of such duties. Executive shall serve as an officer of Huntington and as an officer of any of its affiliate corporations, and as a director of Huntington and any of its affiliates if duly elected at any time or times during the term of this Agreement.

B. Executive's employment and the initial term of this Agreement shall be for a period commencing on February 15, 2001 ("Commencement Date"), and ending on February 14, 2004 ("Termination Date"), unless terminated at an earlier date pursuant to an event described in Section III of this Agreement (referred to hereafter as the "employment period"). After the initial term, this Agreement shall be automatically renewed on February 15, 2004 for a term of five (5) years and, if not terminated as provided herein, every five (5) years thereafter unless either party gives the other party written notice at least 60 days prior to the Termination Date of such party's intent not to renew the Agreement. During each subsequent renewal term, the Termination Date, as used herein, shall be the day following the fifth anniversary of the day on which the renewal term begins.

### II. Compensation.

Huntington agrees to pay to Executive and Executive agrees to accept the following amounts as compensation in full for his services in any capacity hereunder, including services as an officer, director or member of any committee or in the performance of other like duties assigned to him by the Board of Directors of Huntington.



A. BASE COMPENSATION. During the initial three years of the employment period, Huntington shall pay to Executive a base annual salary in the amount of $800,000, payable in bi-weekly installments plus such increased base annual compensation that the Board of Directors of Huntington may authorize as provided herein (the "Minimum Annual Base Salary"). The compensation of Executive shall be reviewed in good faith by both parties no less often than every fifteen (15) months during the initial and renewal terms and may be increased by mutual consent, but in no event shall the annual base salary be less than the Minimum Annual Base Salary described above.

B. PARTICIPATION IN HUNTINGTON'S INCENTIVE COMPENSATION PLANS. Executive will participate in Huntington's Management Incentive Plan and Huntington's Long-Term Incentive Plan, as in effect on the date hereof, as well as any amended and restated or successor plans (such plans shall be referred to hereinafter as the "Incentive Compensation Plans"). Notwithstanding any contrary

terms of such Incentive Compensation Plans, Executive will be entitled to the following adjustment to the Incentive Compensation Plans for 2001: in the case of the Management Incentive Plan, the minimum pay-out will be at least the Target Percentage (60% of Minimum Annual Base Salary) if actual performance is lower; and in the case of the Long Term Incentive Plan, for purposes of the cycle that began in 2000 and will end in 2002, Huntington's return on average equity for 2001 will be presumed to equal the target 50th percentile of the Pacesetter Banks' performance if Huntington's return on average equity is less than the 50th percentile of the Pacesetter Banks' performance. In determining the awards under both Incentive Compensation Plans, Executive's pay-out determined above will be prorated to reflect the percentage of time during the applicable cycle that Executive was employed by Huntington.

C. PARTICIPATION IN RETIREMENT PLAN AND RIGHTS UNDER OTHER AGREEMENTS. Executive shall be entitled to certain rights and benefits as in effect on the date hereof under a) the Huntington Investment and Tax Savings Plan (the "Stock Plan"), b) the Huntington Supplemental Stock Purchase and Tax Savings Plan (the "Supplemental Stock Plan") c) Huntington Bancshares Retirement Plan (the "Qualified Plan"), d) Huntington Bancshares Supplemental Retirement Income Plan (the "SRIP") and e) the 1994 Stock Option Plan or any successor or additional stock option plans (the "Stock Option Plans"). Executive's rights and benefits under such plans shall continue in effect and shall not in any manner be altered or affected by this Agreement other than any increase in benefits as a result of the terms of this Agreement. Notwithstanding any other provision contained in the Stock Option Plan, in the event Executive's employment is terminated for any reason, he shall have a period of not less than ninety (90) days in which to exercise any stock option provided pursuant to the Stock Option Plan, provided, however, that the period during which such options can be exercised will be such longer period if provided under the terms of such Stock Option Plan or subsequent agreement between the parties.

D. OTHER FRINGE BENEFITS. In addition to the benefits provided for in subsections (B) and (C) of this Section II, Executive shall receive and enjoy other fringe benefits, including without limitation participation in or coverage under: transition pay plan, health care insurance (including any health care and dependent care flexible spending account plan), long term and short term disability insurance, group life insurance, business travel insurance, employee assistance plan, Section 125 premium only cafeteria plan and tuition reimbursement plan, paid vacations, use of a corporate automobile and all reasonable maintenance and service costs associated therewith, financial consulting and tax return preparation allowance of 2% of Minimum Annual Base Salary, paid reserved parking, paid initiation fees for memberships in country clubs and luncheon clubs (with Executive responsible for regular dues and assessments), and payment of dues in those professional organizations designated by Executive. All such fringe benefits shall be comparable in scope and amount with Executive's status as Chief Executive Officer and with those fringe benefits accorded prior chief executive officers of Huntington. In addition, Executive shall be entitled to reimbursement for all out-of-pocket expenses incurred by Executive in the performance of his duties hereunder; provided that such reimbursement shall be in accordance with Huntington's then existing policy regarding the same.



E. PARTICIPATION IN FUTURE COMPENSATION, RETIREMENT, AND FRINGE BENEFIT PLANS. In addition to the benefits provided for in subsections (B), (C), and (D) of this Section II, Executive shall participate in and shall also receive and enjoy such other compensation, retirement, or fringe benefits which are now or in the future made available to executives of Huntington.

F. DISCONTINUANCE OF FRINGE BENEFITS. If at any time prior to the termination of Executive's employment in accordance with the terms of this Agreement, Huntington shall for any reason discontinue or cause a material reduction in retirement or fringe benefits specified in subsections (C), (D) or (E) of this Section II, Huntington shall thereupon immediately, at its expense, provide Executive with individual coverage or benefits comparable to (and not less beneficial than) the benefits in existence prior to such discontinuance or material reduction until termination of this Agreement.

G. DEFERRED COMPENSATION. Huntington agrees that, if requested by Executive, it will enter into an unfunded deferred compensation agreement acceptable to Executive providing for the deferral at the election of Executive of certain compensation payable to Executive.

H. SECURITY. Corporate officers in positions similar to that occupied by Executive have by virtue of their position in the recent past been the target of kidnapping, burglary, robbery, extortion, hostage, hijacking and other threats to the health, life, safety and property of similarly situated officers. In order to reduce the risk of harm to Executive, Executive shall be entitled to receive from time to time, if and whenever Executive, Huntington's Director of Security and, to the extent utilized by Huntington, any independent

security consultant determine, at Huntington's expense, security services and protection as they determine to be appropriate under the circumstances. Such security services may include, but not by way of limitation: (a) at Executive's customary residences, dedicated phone lines for audio, data and alarm transmission, fire, smoke, intrusion detection and alarm systems and devices, perimeter protection, including fences, gates and camera; and (b) the employment of one or more personal security escorts. In addition, to the extent feasible, Executive and Executive's spouse, when accompanied by Executive, shall be required to utilize corporate owned or leased secure aircraft for all air travel.

I. ADDITIONAL BENEFITS. Upon execution of this Agreement, Executive will receive a payment of $250,000.00, gross. Executive will be granted stock options on 400,000 shares, effective February 21, 2001. The options for 200,000 shares will be vested immediately upon grant, and the remaining options will vest on February 21, 2002.

III. Termination.

A. DISABILITY. If during the term of this Agreement Executive shall be unable to perform substantially his duties hereunder because of illness or other incapacity (referred to hereafter as "Disability"), and such Disability shall continue for a period of more than six (6) consecutive months in any twelve month period, Huntington shall thereafter have the right, on not less than forty-five (45) days written notice to Executive, to terminate this Agreement, in which case the date of termination shall be not less than the forty-fifth (45th) day following the date of written notice. In such event, in addition to any other benefits to which Executive would be entitled, Huntington shall be obligated to pay Executive his full compensation pursuant to Sections II (A) and (B) hereof up to the date of termination; thereafter Huntington shall be obligated to pay Executive an amount equal to two-thirds (2/3) of the base salary pursuant to Section II(A) hereof less any benefits which Executive receives during such period from any disability insurance program which Huntington may provide Executive. The compensation provided under this paragraph shall continue for the full period of Disability or until the Termination Date, whichever first occurs.



A determination of Disability shall be subject to the certification of a qualified medical doctor agreed to by Huntington and Executive or, in the event of Executive's incapacity to designate a qualified medical doctor, by Executive's legal representative. If Huntington and Executive fail to agree upon a qualified medical doctor, each party shall nominate a qualified medical doctor and the two doctors shall select a third doctor, who shall make the determination as to Disability.

Executive's compensation and benefits described in Section II shall be reinstated in full upon his return to employment and the discharge of his full duties hereunder.

B. DEATH. In the event of Executive's death during his employment hereunder, in addition to any other benefits to which any person would be entitled upon Executive's death, his bi-weekly compensation under Section II(A) shall continue until the last day of the sixth full calendar month following the month in which his death occurs. Compensation to which Executive is entitled pursuant to Section II(B) hereof shall be paid pursuant to the terms of Huntington's Incentive Compensation Plans. Executive's compensation for the period following his death shall be paid to the beneficiary indicated on the Beneficiary Designation attached hereto as Exhibit A.

C. VOLUNTARY TERMINATION. Except as provided for in Section III(E) or in the Executive Agreement dated February 15, 2001, between Executive and Huntington (the "Executive Agreement") a copy of which is attached hereto as Exhibit B, and except as provided in any amended and restated or successor agreement, in the event Executive voluntarily terminates his employment, he shall cease to receive compensation as of the date of termination of his employment, except that to which he is then entitled pursuant to Huntington's Incentive Compensation Plans.

D. TERMINATION FOR CAUSE. In the event that the Board of Directors determines that Executive's employment pursuant to this Agreement should be terminated for cause, Executive shall be entitled: (a) to receive the compensation to which he is entitled pursuant to Huntington's Incentive Compensation Plans, and (b) to continue to receive as severance pay the

bi-weekly installments as described in Section II(A) for three (3) full calendar months following the date of termination. "Cause" means fraud, embezzlement, gross negligence, or willful misconduct by Executive in the performance of his duties or a material default by Executive of his duties hereunder. For purposes of this paragraph, no act or failure to act on Executive's part shall be considered "willful" unless done or omitted to be done by him not in good faith and without reasonable belief that his action or omission was in the best interest of Huntington. If Huntington decides to terminate this Agreement as provided in this Section, Huntington will give Executive 60 days advance written notice of its intention to terminate this Agreement. If, within such 60-day period Executive notifies Huntington that a dispute exists concerning the termination, the termination of this Agreement will occur on the earlier of the Termination Date or the date the dispute is finally determined by agreement of the parties or by a court of competent jurisdiction.

E. TERMINATION WITHOUT CAUSE. In the event that the employment of Executive shall be terminated: (a) by the Board of Directors without cause, or (b) during the initial term, by Executive for Good Reason, Executive or his designated beneficiary, shall be entitled to his Minimum Annual Base Salary, participation in the Incentive Compensation Plans at not less than the target levels (i.e., 60% under Management Incentive Plans and 62.5% under Long-Term Incentive Plan) if actual performance is lower, retirement and fringe benefits all as provided in accordance with Section II herein (a) until the Termination Date or (b) during the initial term, if longer, for two years after such termination. For the purpose of this Agreement, "Good Reason" shall mean: (a) the withholding from Executive of the authority, duties, responsibilities and status which are consistent with Executive's position as the President and Chief Executive Officer of Huntington and its principal subsidiary The Huntington National Bank; (b) the removal of Executive from the Board of Directors of Huntington or The Huntington National Bank; or (c) the breach of this Agreement by Huntington.



F. CHANGE OF CONTROL. In the event that Huntington shall have undergone a Change of Control, in lieu of any compensation otherwise provided under this Agreement, Executive shall be entitled to the benefits described in the Executive Agreement upon the termination of his employment, either voluntarily by Executive or by Huntington for any reason except Executive's Disability or death. For purposes of this Agreement "Change of Control" shall have the meaning defined in the Executive Agreement.

G. MITIGATION. In the event Executive's employment terminates as a result of a Disability as set forth in Section III(A) herein, Executive voluntarily terminates his employment, as set forth in Section III(C) herein, Executive's employment pursuant to this Agreement is terminated for cause, as set forth in Section III(E) herein, or Executive is terminated pursuant to a Change of Control, as set forth in Section III(F) herein, Executive shall have no duty to mitigate his damages by seeking other Employment, and Huntington shall not be entitled to set off against amounts payable hereunder any compensation which he may receive from future employment.

H. MOVING EXPENSES AND HEALTH CARE. Notwithstanding any other provisions of this Agreement or any other Agreement between Executive and Huntington, in the event that Executive's employment hereunder terminates during the initial term of this Agreement other than as a result of a voluntary termination by Executive, Huntington will provide Executive the following additional benefits: (a) health insurance coverage to Executive and his spouse, if any, which is comparable in terms of coverage, deductibles, co-payments and costs as the health care coverage provided to Executive during Executive's employment with Huntington until such time as Executive is entitled to health care coverage under Medicare or other comparable program; and (b) reimbursement of moving and incidental expenses incurred by Executive within twelve months following such termination to relocate his principal place of residence from Columbus, Ohio, provided that the maximum amount of such reimbursement will not exceed $100,000.

IV. Executive's Rights Under Certain Plans.

Notwithstanding anything contained herein, Huntington agrees that the benefits provided to Executive herein are not in lieu of any rights and privileges to which Executive may be entitled as an employee of Huntington under any retirement, pension, insurance, hospitalization, or other plan which may now or hereafter be in effect, it being understood that, except to the extent currently provided in such plans, Executive shall have the same rights and privileges to participate in such plans or benefits as any other employee of Huntington.

If Executive shall be entitled to participate in any retirement or fringe benefit plan pursuant to the terms of this Agreement after the cessation

of his employment and if the terms of any such retirement or fringe benefit plan do not permit continued participation by Executive after termination of employment, then Huntington will arrange for other coverage at Huntington's expense providing substantially similar benefits in a manner which is tax neutral to Executive.

If continued participation in any retirement plan is not permitted by law or the terms of the plan, Huntington shall pay to Executive or, if applicable, his beneficiary, a supplemental benefit equal to the value on the date of termination of employment of the excess of (a) the after-tax benefit Executive would have been paid under such plan if he had continued to be covered as if Executive had earned compensation described under Section II above and had made contributions sufficient to earn the maximum matching contribution, if any, under such plan (less any amounts he would have been required to contribute), over (b) the after-tax benefit actually payable to or on behalf of the Executive under such plan. For purposes of determining the benefit under (a) in the preceding sentence, contributions deemed to be made under a defined contribution plan will be deemed to be invested in the same manner as



Executive's account under such plan at the time of termination of employment. Huntington shall pay such supplemental benefits (if any) in a lump sum within 60 days of the termination of employment.

V. Confidential Information.

Executive agrees to receive Confidential Information (defined below) of Huntington in confidence, and not to disclose to others, assist others in the application of, or use for his own gain, such information, or any part thereof, unless and until it has become public knowledge or has come into the possession of such other or others by legal and equitable means and other than as a result of disclosure by Executive. Executive further agrees that, upon termination of his employment with Huntington, all documents, records, notebooks, and similar repositories containing Confidential Information, including copies thereof, then in Executive's possession, whether prepared by him or others, will be left with Huntington. For purposes of this Section V, "Confidential Information" means information disclosed to Executive or known by Huntington, not generally known in the business in which Huntington is or may become engaged, including, but not limited to, information about Huntington's services, trade secrets, financial information, customer lists, books, records, memoranda, and other proprietary information of Huntington.

Executive further agrees that during the employment period he will devote substantially all of his time and effort to the performance of his duties hereunder and will refrain from engaging on his own behalf or on the behalf of a third party in any line of activities or business in which Huntington is or may become engaged.

VI. Place of Performance.

In connection with his employment by Huntington, Executive shall not be required to relocate or transfer his principal residence and shall not be required to perform services which would make the continuance of his principal residence in Columbus, Ohio, unreasonably difficult or inconvenient for him. Huntington shall give Executive at least three months' advance notice of any relocation of its principal executive offices to a location more than fifty miles from Executive's principal residence in Columbus, Ohio. In the event that Executive shall thereupon elect to relocate his principal residence within fifty miles of the principal executive offices of Huntington, Huntington shall promptly pay (or reimburse Executive for) all reasonable relocation expenses incurred by Executive relating to a change of his principal residence in connection with any such relocation of Huntington's principal executive offices. In the event that Executive shall not relocate his principal residence, he shall make himself available for performance in Columbus, Ohio, of the services described in Section I herein.

VII. Successors.

A. This Agreement shall inure to the benefit of and be binding upon Huntington, its successors and assigns, including without limitation, any person, partnership, or corporation which may acquire voting control of Huntington or all or substantially all of the Huntington's assets and business, or which may be a party to any consolidation, merger, or other transaction that results in a Change of Control of Huntington.

B. This Agreement shall also inure to the benefit of and be

binding on Executive, his heirs, successors, and legal representatives.



VIII. COBRA Continuation Coverage.

Notwithstanding any provision of this Agreement to the contrary, in the event of any qualifying event, as defined in Section 4980B of the Internal Revenue Code (the "Code"), Executive and his qualifying beneficiaries shall be entitled to continuation of health care coverage, as provided under Section 4980B of the Code. The foregoing is intended as a statement of Executive's continuation coverage rights and is in no way intended to limit any greater rights of Executive or his qualified beneficiaries under this Agreement. If a greater benefit is available to Executive or his qualifying beneficiaries under this Agreement or otherwise, Executive or his qualified beneficiaries may forego continuation coverage and elect instead such greater benefit.

IX. Indemnification.

Huntington, as provided for in its Articles of Association, shall indemnify Executive to the full extent of the general laws of the State of Maryland, now or hereafter in force, including the advance of expenses under procedures provided by such laws.

X. Savings Clause.

If any payments otherwise payable to the Executive under this Agreement are prohibited or limited by any statute or regulation in effect at the time the payments would otherwise be payable, including, without limitation, any regulation issued by the Federal Deposit Insurance Company (the "FDIC") that limits executive change of control payments that can be made by an FDIC insured institution or its holding company if the institution is financially troubled (any such limiting statute or regulation a "Limiting Rule"):

(A) Huntington will use its best efforts to obtain the consent of the appropriate governmental agency (whether the FDIC or any other agency) to the payment by Huntington to the Executive of the maximum amount that is permitted (up to the amounts that would be due to the Executive absent the Limiting Rule); and

(B) the Executive will be entitled to elect to have apply, and therefore to receive benefits directly under, either (a) this Agreement (as limited by the Limiting Rule) or (b) any generally applicable Huntington severance, separation pay, and/or salary continuation plan that may be in effect at the time of the Executive's termination.

Following any such election, the Executive will be entitled to receive benefits under this agreement or plan elected only if and to the extent the agreement or plan is applicable and subject to its specific terms.

XI. Applicable Law.

This Agreement shall be governed in all respects by the laws of the State of Ohio.

XII. Notices.

All notices under this Agreement shall be in writing, and will be duly sent if sent by registered or certified mail to the respective parties' addresses shown hereinabove, or such other addresses as the parties may hereafter designate in writing for such purpose.



XIII. Assignment.

Except as expressly provided herein, neither this Agreement nor any rights, benefits, or obligations hereunder may be assigned by Huntington or

Executive without the prior written consent of the other.

XIV. Waiver.

The failure by a party to exercise or enforce any of the terms or conditions of this Agreement will not constitute or be deemed a waiver of that party's rights hereunder to enforce each and every term of this Agreement. The failure by a party to insist upon strict performance of any of the terms and provisions herein will not be deemed a waiver of any subsequent default in the terms or provisions herein.

XV. Rights and Remedies Cumulative.

All rights and remedies of the parties hereunder are cumulative.

XVI. Divisibility.

The provisions of this Agreement are divisible. If any such provision shall be deemed invalid or unenforceable, it shall not affect the applicability or validity of any other provision of this Agreement, and if any such provision shall be deemed invalid or unenforceable as to any periods of time, territory, or business activities, such provision shall be deemed limited to the extent necessary to render it valid and enforceable.

XVII. Captions and Titles.

Captions and titles have been used in this Agreement only for convenience and in no way define, limit, or describe the meaning of any Article or any part thereof.

XVIII. Capitalized Terms.

Capitalized terms not otherwise defined herein have the meaning given in the Executive Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement which is effective immediately on the date and year first above written.

| ATTEST | Huntington Bancshares Incorporated |
| --- | --- |
| /s/ Richard A. Cheap | By: /s/ Frank Wobst |
| Richard A. Cheap, Secretary | Frank Wobst<br>Chairman of the Board |
| | /s/ Thomas E. Hoaglin |
| | Thomas E. Hoaglin |

EXHIBIT 21

## SUBSIDIARIES OF HUNTINGTON BANCSHARES INCORPORATED

The subsidiaries of Huntington Bancshares Incorporated are listed below. The state or jurisdiction of incorporation or organization of each subsidiary (unless otherwise noted) is Ohio.

The Huntington National Bank (United States) and its direct and indirect subsidiaries, 41 South High Ltd.**, The Huntington Leasing Company, The Huntington Mortgage Company, Huntington Residential Mortgage Securities, Inc., HMC Reinsurance Company (Vermont), The Huntington Investment Company, Forty-One Corporation, First Sunset Development, Inc., SFA Holding, Inc., East Sound Realty, Inc., Lodestone Realty Management, Inc., WS Realty, Inc., Fourteen Corporation, Airbase Realty Holding Company (Indiana), Airbase Realty Company, HNB Clearing, Inc., The Check Exchange System Co. **, Thirty-Seven Corporation, Vehicle Reliance Company, Huntington Trade Services, Inc., Huntington Trade Services, Asia, Limited (Hong Kong), CyberMark, Inc. (Delaware) **, FMB Insurance Agency, Inc. (Michigan), Huntington West, Inc. (Delaware), Huntington Kentucky, LLC (Kentucky), Huntington Merchant Services, L.L.C. (Delaware) **, HNB I LLC (Delaware), Huntington LT (Delaware), Traverse West, Inc. (Michigan), Building Investment Corporation (Michigan), HNB 2000-B (Q) LLC (Delaware), HNB 2000-B (NQ) LLC (Delaware), and Huntington Auto Trust 2000-B (Delaware)***.

CB&T Capital Investment Company (West Virginia)

Huntington Capital Corp.

Huntington Bancshares Financial Corporation

The Huntington National Life Insurance Company (Arizona) **

Huntington Bancshares Ohio, Inc.

Huntington Bancshares Florida, Inc.

Huntington Insurance Agency Services, Inc.

Huntington Property and Casualty Insurance Agency, Inc.

Huntington Life Insurance Agency, Inc.

Huntington Insurance Agency, Inc. (Michigan)

Huntington Insurance Agency, Inc. (Kentucky)

Huntington Title Services, LLC **

Huntington Title Services, Inc. (Michigan)

Huntington Title Services, Inc. (West Virginia)

Huntington Title Services, Inc. (Florida)

The Huntington Community Development Corporation

Heritage Service Corporation

Huntington Capital I (Delaware)

Huntington Capital II (Delaware)

Huntington Capital III (Delaware)

Huntington Capital IV (Delaware)

Huntington Capital V (Delaware)

Huntington Capital VI (Delaware)

Superior Financial Corporation (Michigan)

Huntington Credit Life Reinsurance Company (formerly First Michigan Life Insurance Company) (Arizona)

The Huntington Capital Investment Company

The Huntington Real Estate Investment Company

Huntington Trade Services, Asia, Limited (Hong Kong)

e-Banc LLC (Delaware) **

ARCH-II, Inc. (Indiana)

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

JRD PEO Solutions, L.L.C. (Florida) **

** - Less than 100% owned.

*** - Owned by HNB 2000-B (Q) LLC and HNB 2000-B (NQ) LLC in proportion to assets sold.

EXHIBIT 23

## CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement No. 333-52394 dated December 21, 2000, Post-Effective Amendment No. 1 to Registration Statement No. 33-44208 dated April 1, 1998, Post-Effective Amendment No. 1 to Registration Statement No. 33-46327 dated April 1, 1998, Registration Statement No. 33-52553 dated March 8, 1994, Post-Effective Amendment No. 1 to Registration Statement No. 33-59068 dated March 12, 1993, Registration Statement No. 33-41774 dated July 19, 1991, Post-Effective Amendment No. 2 to Registration Statement No. 33-10546 dated January 28, 1991, Registration Statement No. 33-38784 dated January 28, 1991, Registration Statement No. 33-37373 dated October 18, 1990, and Registration Statement No. 2-89672 dated February 27, 1984, all on Form S-8, and Post-Effective Amendment No. 2 to Registration Statement No. 33-52569 dated September 25, 1998, Registration Statement No. 33-63175 dated October 3, 1995, both on Form S-3, and Registration Statement Nos. 333-53579, 333-53579-01, 333-53579-02, 333-53579-03, 333-53579-04, and 333-53579-05 all on Form S-3 dated May 26, 1998 and amended June 5, 1998 of our report dated January 18, 2001, with respect to the consolidated financial statements of Huntington Bancshares Incorporated included in this Annual Report on Form 10-K for the year ended December 31, 2000, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Columbus, Ohio
March 8, 2001

EXHIBIT 99

Huntington Bancshares Incorporated
Ratio of Earnings to Fixed Charges

<TABLE>
<CAPTION>

| | THREE MONTHS ENDED DECEMBER 31, | | YEAR ENDED DECEMBER 31, | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| <S> | <C> | <C> | <C> | <C> |
| EXCLUDING INTEREST ON DEPOSITS | | | | |
| Income before taxes (1) | $ 107,217 | $ 149,970 | $ 509,895 | $ 603,032 |
| Fixed charges: | | | | |
| Interest expense | 100,040 | 92,231 | 383,997 | 344,635 |
| Interest factor of rent expense | 3,613 | 3,929 | 14,217 | 11,928 |
| Total fixed charges | 103,653 | 96,160 | 398,214 | 356,563 |
| Earnings | $ 210,870 | $ 246,130 | $ 908,109 | $ 959,595 |
| Fixed charges | $ 103,653 | $ 96,160 | $ 398,214 | $ 356,563 |
| Ratio of Earnings to Fixed Charges | 2.03 X | 2.56 X | 2.28 X | 2.69 X |
| INCLUDING INTEREST ON DEPOSITS | | | | |
| Income before taxes (1) | $ 107,217 | $ 149,970 | $ 509,895 | $ 603,032 |
| Fixed charges: | | | | |
| Interest expense | 304,595 | 262,854 | 1,166,073 | 984,240 |
| Interest factor of rent expense | 3,613 | 3,929 | 14,217 | 11,928 |
| Total fixed charges | 308,208 | 266,783 | 1,180,290 | 996,168 |
| Earnings | $ 415,425 | $ 416,753 | $1,690,185 | $1,599,200 |
| Fixed charges | $ 308,208 | $ 266,783 | $1,180,290 | $ 996,168 |
| Ratio of Earnings to Fixed Charges | 1.35 X | 1.56 X | 1.43 X | 1.61 X |

</TABLE>

(1) Excludes special charges and 1999 gain on sale of credit card portfolio.