
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 18, 2007

HUNTINGTON BANCSHARES INCORPORATED

(Exact name of registrant as specified in its charter)

Maryland	0-2525	31-0724920
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
Huntington Center 41 South High Street Columbus, Ohio		43287
(Address of principal executive offices)		(Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

[Item 2.02. Results of Operations and Financial Condition](#)

[Item 9.01. Financial Statements and Exhibits](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EX-99.1](#)

[EX-99.2](#)

Item 2.02. Results of Operations and Financial Condition.

On January 18, 2007, Huntington Bancshares Incorporated (“Huntington”) issued a news release announcing its earnings for the quarter and year ended December 31, 2006. Also on January 18, 2007, Huntington made a Quarterly Financial Review available on its web site, www.huntington-ir.com.

Huntington’s senior management will host an earnings conference call January 18, 2007, at 1:00 p.m. EST. The call may be accessed via a live Internet webcast at www.huntington-ir.com or through a dial-in telephone number at 800-223-1238; conference ID 3326818. Slides will be available at www.huntington-ir.com just prior to 1:00 p.m. EST on January 18, 2007, for review during the call. A replay of the web cast will be archived in the Investor Relations section of Huntington’s web site at www.huntington-ir.com. A telephone replay will be available two hours after the completion of the call through January 31, 2007, at 800-642-1687; conference call ID 3326818.

The information contained or incorporated by reference in this Current Report on Form 8-K contains forward-looking statements, including certain plans, expectations, goals, and projections, which are subject to numerous assumptions, risks, and uncertainties. A number of factors, including but not limited to those set forth under the heading “Risk Factors” included in Item 1A of Huntington’s Annual Report on Form 10-K/A for the year ended December 31, 2005, and other factors described from time to time in Huntington’s other filings with the Securities and Exchange Commission, could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements. All forward-looking statements included in this Current Report on Form 8-K are based on information available at the time of the Report. Huntington assumes no obligation to update any forward-looking statement.

The information contained or incorporated by reference in Item 2.02 of this Form 8-K shall be treated as “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

The exhibits referenced below shall be treated as “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

(d) Exhibits.

Exhibit 99.1 – News release of Huntington Bancshares Incorporated, dated January 18, 2007.

Exhibit 99.2 – Quarterly Financial Review, December 2006.

SIGNATURES

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

HUNTINGTON BANCSHARES INCORPORATED

Date: January 18, 2007

By: /s/ Donald R. Kimble

Donald R. Kimble
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
Exhibit 99.1	News release of Huntington Bancshares Incorporated, January 18, 2007.
Exhibit 99.2	Quarterly Financial Review, December 2006.



NEWSRELEASE



FOR IMMEDIATE RELEASE

January 18, 2007

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HUNTINGTON BANCSHARES REPORTS:

- **2006 FOURTH QUARTER NET INCOME OF \$87.7 MILLION AND EARNINGS PER COMMON SHARE OF \$0.37**
 - **Includes \$0.10 per common share negative impact from significant items including the net impact of completing the balance sheet restructuring begun after the end of the 2006 third quarter (\$0.05 per common share) and a contribution to the Huntington Foundation (\$0.03 per common share)**
- **2006 FULL-YEAR NET INCOME OF \$461.2 MILLION AND EARNINGS PER COMMON SHARE OF \$1.92**
- **2007 FULL-YEAR GAAP EARNINGS TARGET OF \$1.87-\$1.92 PER SHARE**
- **6% INCREASE IN QUARTERLY CASH DIVIDEND DECLARED ON ITS COMMON STOCK**

COLUMBUS, Ohio – Huntington Bancshares Incorporated (NASDAQ: HBAN; www.huntington.com) reported 2006 fourth quarter earnings of \$87.7 million, or \$0.37 per common share. Results in the year-ago fourth quarter were \$100.6 million, or \$0.44 per common share.

Earnings for full-year 2006 were \$461.2 million, or \$1.92 per common share, compared with \$412.1 million, or \$1.77 per common share, in 2005.

Highlights compared with the 2006 third quarter included:

- \$0.37 earnings per common share, down from \$0.65 per common share in the prior quarter.
 - Current quarter results were negatively impacted by \$0.10 per common share from significant items including the net impact of completing the balance sheet restructuring begun after the end of the 2006 third quarter (\$0.05 per common share) and a contribution to the Huntington Foundation (\$0.03 per common share).
 - Third quarter 2006 results included an \$0.18 per common share net positive impact due to a reduction of federal income tax expense (\$0.35 per common share), partially

offset by an investment securities impairment (\$0.16 per common share) reflecting a decision to reposition that portfolio to better future performance, and the negative impact (\$0.01 per common share) related to the write down of equity method investments.

- 3.28% net interest margin, up from 3.22%.
- 9% annualized growth in average total commercial loans.
- 8% annualized decline in average total consumer loans.
 - 10% annualized decline in average total automobile loans and leases reflecting a decline in automobile leases and little growth in automobile loans given the on-going program of selling a portion of related loan production.
 - 5% annualized decline in average home equity loans.
 - 10% annualized decline in average residential mortgages, reflecting the sale of \$120 million of loans at the end of the 2006 third quarter.
- 1% annualized decline in average total core deposits.
- Mixed performance in core fee income categories. Good growth in trust services and other service charges and fees, partially offset by declines in mortgage banking, service charges on deposit accounts, and brokerage and insurance income.
- 0.35% annualized net charge-offs, up 3 basis points.
- 1.04% period-end allowance for loan and lease losses (ALLL) ratio, down from 1.06%.
- 0.76% period-end non-performing asset (NPA) ratio, up from 0.65% at September 30, 2006, with 60% of total period end NPAs secured by residential real estate assets and assets guaranteed by the U.S. Government.
- 6.87% period-end tangible common equity ratio, down from 7.13%.

“Underlying fourth quarter performance was generally in line with our expectations,” said Thomas E. Hoaglin, chairman, president, and chief executive officer. “By utilizing a portion of the excess capital remaining from the third quarter’s reduction of federal income taxes, we completed our balance sheet restructuring and made a sizable contribution to the Huntington Foundation. While completing the balance sheet restructuring negatively impacted reported fourth quarter results, it had the desired result of contributing to the 6 basis point increase in our net interest margin, and positions our margin for better performance as we head into 2007.”

“On a financial performance basis, we were very pleased with the growth in average commercial loans. Average residential mortgages declined, reflecting portfolio sales. However, we were disappointed, though not surprised, by the decline in home equity loans, given softness in the residential real estate markets,” he said. “Continued growth in trust services and other service charges and fees were pluses. Importantly, expenses were well contained after taking into consideration the donation to the Huntington Foundation and severance and consolidation expenses primarily associated with a Regional Banking staff reduction initiative. On the credit side, we were pleased that our net charge-off experience of 35 basis points was at the low end of our long-term net charge-off range. Although we were disappointed with the 17% increase in NPAs, a significant portion related to residential real estate. While the credit environment is softening, we do not anticipate much change in the relative level of NPAs during 2007. In sum,

though the environment is challenging as we go into 2007, we are comfortable that we will continue to grow our businesses and earnings.”

FOURTH QUARTER PERFORMANCE DISCUSSION

Significant Factors Influencing Financial Performance Comparisons

Specific significant items impacting 2006 fourth quarter performance included (*see Table 1 below*):

- \$20.2 million pre-tax (\$13.1 million after tax or \$0.05 per common share) negative impact related to costs associated with the completion of the balance sheet restructuring announced in the 2006 third quarter. This consisted of \$15.8 million pre-tax of investment securities losses, including \$6.8 million of additional impairment on certain asset-backed securities not included in the third quarter restructuring, and \$4.4 million pre-tax of other balance sheet restructuring expenses, most notably FHLB funding refinancing costs. As previously announced, 2006 third quarter results included an \$84.5 million after-tax favorable impact related to the resolution of a federal income tax audit covering tax years 2002 and 2003, which resulted in the release of previously established federal income tax reserves, as well as the recognition of federal tax loss carry backs. Concurrently, a decision was made to reposition the investment securities portfolio to improve its performance. As a result, 2006 third quarter results included a \$57.5 million pre-tax securities impairment estimate.
- \$10.0 million pre-tax (\$6.5 million after tax or \$0.03 per common share) contribution to the Huntington Foundation.
- \$5.2 million pre-tax (\$3.4 million after tax or \$0.01 per common share) increase in automobile lease residual value losses. This increase reflected higher relative losses on vehicles sold at auction, most notably high-line imports and larger sport utility vehicles. During the quarter, a further review was completed which resulted in additions to residual value reserves.
- \$4.5 million pre-tax (\$2.9 million after tax or \$0.01 per common share) in severance and consolidation expenses. This reflected severance-related expenses associated with a reduction of 75 Regional Banking staff positions, as well as costs associated with the previously announced retirements of a vice chairman and an executive vice president.
- \$3.3 million pre-tax (\$2.1 million after tax or \$0.01 per common share) in equity investment gains.
- \$2.5 million pre-tax (\$1.6 million after tax or \$0.01 per common share) negative impact reflecting a mortgage servicing rights (MSR) mark-to-market net of hedge-related trading activity.
- \$2.5 million pre-tax (\$1.7 million after tax or \$0.01 per common share) gain related to the sale of MasterCard® stock.

Table 1 – Significant Items Impacting Earnings Performance Comparisons⁽¹⁾

Three Months Ended (in millions, except per share)	Impact ⁽²⁾	
	Pre-tax	EPS
December 31, 2006 – GAAP earnings	\$ 87.7⁽³⁾	\$ 0.37
• Equity investment gains	3.3	0.01
• Gain on sale of MasterCard® stock	2.5	0.01
• Completion of balance sheet restructuring	(20.2)	(0.05)
• Huntington Foundation contribution	(10.0)	(0.03)
• Automobile lease residual value losses	(5.2)	(0.01)
• Severance and consolidation expenses	(4.5)	(0.01)
• MSR mark-to-market net of hedge-related trading activity	(2.5)	(0.01)
September 30, 2006 – GAAP earnings	\$ 157.4⁽³⁾	\$ 0.65
• Reduction to federal income tax expense	84.5 ⁽³⁾	0.35
• Investment securities impairment	(57.5)	(0.16)
• Adjustment for equity method investments	(2.1)	(0.01)
December 31, 2005 – GAAP earnings	\$ 100.6⁽³⁾	\$ 0.44
• Net impact of federal tax loss carry back	7.0 ⁽³⁾	0.03
• Securities losses plus MSR recovery of temporary impairment net of hedge-related trading activity	(10.4)	(0.03)

(1) Includes significant items with \$0.01 EPS impact or greater

(2) Favorable (unfavorable) impact on GAAP earnings; pre-tax unless otherwise noted

(3) After-tax

Balance Sheet Restructuring

Subsequent to the end of the 2006 third quarter, the company initiated a review of its investment securities portfolio. The objective of this review was to reposition the portfolio to optimize performance in light of changing economic conditions and other factors. Such repositioning resulted in the sale of securities and the reinvestment into securities expected to improve the predictability of cash flows and reduce credit risk. A total of \$2.1 billion of securities, primarily consisting of U.S. Treasury and Agency securities as well as certain other asset-backed securities, were identified for sale. At September 30, 2006, these securities had total unrealized losses of \$57.5 million (\$37.4 million after tax, or \$0.16 per common share), which was recognized in the 2006 third quarter results.

During the 2006 fourth quarter, this investment securities portfolio restructuring was completed. In addition, a decision was made to broaden the balance sheet restructuring and include refinancing a portion of FHLB funding, and to a much lesser degree, the sale of approximately \$100 million of mortgage loans. As a result, 2006 fourth quarter results included \$15.8 million pre-tax of investment securities losses, including \$6.8 million other than temporary impairment recognized on certain securities backed by cash flows from pools of securitized sub-prime mortgages, and \$4.4 million pre-tax of other balance sheet restructuring costs. This restructuring is expected to improve the net interest margin by 8-9 basis points, of which 7 were reflected in the fourth quarter.

Net Interest Income, Net Interest Margin, Loans and Leases, Investment Securities, and Deposits

2006 Fourth Quarter versus 2005 Fourth Quarter

Fully taxable equivalent net interest income increased \$14.6 million, or 6% (\$17.7 million merger-related), from the year-ago quarter, reflecting the favorable impact of a \$2.3 billion, or 8%, increase in average earning assets, as the fully taxable equivalent net interest margin declined 6 basis points to 3.28%. Average total loans and leases increased \$1.8 billion, or 7% (\$1.7 billion merger-related). The remaining non-merger related increase in average total loans and leases was \$0.1 billion, up less than 1% from the year-ago quarter, which primarily reflected growth in commercial loans and residential mortgages, mostly offset by a decline in total average automobile loans and leases as we continued to sell a portion of that production.

Average total commercial loans increased \$1.5 billion, or 14% (\$0.8 billion merger-related). This growth reflected a \$0.9 billion, or 18%, increase in average middle market C&I loans, a \$0.3 billion, or 9%, increase in average commercial real estate loans, and a \$0.3 billion, or 14%, increase in average small business loans.

Average residential mortgages increased \$0.5 billion, or 11% (\$0.4 billion merger-related). Average home equity loans increased \$0.2 billion, or 4%, but would have declined slightly were it not for the Unizan merger.

Compared with the year-ago quarter, average total automobile loans and leases decreased \$0.4 billion, or 9%, with the Unizan merger having no significant impact. The decrease reflected the combination of two factors: (1) continued softness in loan and lease production levels over this period from low consumer demand and competitive pricing, and (2) little growth in automobile loans as we continued a program of selling a portion of current loan production. Average automobile operating lease assets declined \$0.2 billion, or 81%, as this portfolio continued to run off. Total automobile loan and lease exposure at quarter end was 15%, down from 18% a year earlier.

Average total investment securities increased 2% from the 2005 fourth quarter.

Average total core deposits in the 2006 fourth quarter increased \$1.8 billion, or 10% (\$1.5 billion merger-related), from the year-ago quarter. Most of the increase reflected higher average core certificates of deposit, which increased \$1.5 billion (\$0.6 billion merger-related) resulting from continued customer demand for higher, fixed rate deposit products. Average interest bearing demand deposits increased \$0.3 billion (\$0.2 billion merger-related) and average non-interest bearing deposits increased \$0.1 billion (\$0.2 billion merger-related). Average savings and other domestic time deposits declined \$0.1 billion, despite \$0.5 billion of growth related to the Unizan merger.

2006 Fourth Quarter versus 2006 Third Quarter

Compared with the 2006 third quarter, fully taxable equivalent net interest income increased \$2.7 million, or 1%. This reflected the positive impact of a 6 basis point increase in the net interest margin to 3.28% as average total earning assets remained essentially flat. The increase in the net interest margin reflected a combination of factors, but primarily the positive impact of the restructuring of the investment securities portfolio and a shift in the loan portfolio mix to a

higher percentage of higher yield commercial loans, partially offset by higher rates on deposit accounts, reflecting the continued movement of lower cost deposits into higher cost certificates of deposits. While market place loan and deposit pricing remained aggressive, pricing pressure was less intense than in the prior quarter.

Average total loans and leases were essentially unchanged from the 2006 third quarter, reflecting growth in average total commercial loans and offset by a decline in average total consumer loans .

Average total commercial loans increased \$0.3 billion, or 2%. Average middle market C&I loans increased \$0.2 billion, or 4%, from the prior quarter. Average middle market CRE loans increased 1%, with average small business loans up slightly.

Average residential mortgages decreased \$0.1 billion, or 2%, reflecting the sale of \$120 million of mortgage loans at the end of the 2006 third quarter. Average home equity loans declined 1%.

Compared with the 2006 third quarter, average total automobile loans and leases declined 3%. The decline reflected a combination of factors including low demand for leases, as well as the sale of a portion of automobile loan and production. Average automobile loans increased 2% and direct financing leases declined 7%. Automobile loan and lease productions levels continued to decline with loan and lease production down 17% and 24%, respectively, from the third quarter.

Average investment securities decreased \$0.6 billion, or 11%, from the 2006 third quarter, reflecting the decision to sell certain investment securities.

Average total core deposits in the 2006 fourth quarter declined slightly, reflecting a decline in average total consumer core deposits, partially offset by growth in average total commercial core deposits. Average core certificates of deposit increased 1%, reflecting the continued preference of customers for higher fixed rate certificates of deposit compared with lower rate savings and other time deposits, which declined 3%. This shift reflected the same factors impacting comparisons to the year-ago quarter noted above. Average non-interest bearing demand deposits increased 2%, whereas average interest bearing demand deposits declined 1%.

Provision for Credit Losses

The provision for credit losses in the 2006 fourth quarter was \$15.7 million, down \$15.1 million from the year-ago quarter, but up \$1.6 million from the 2006 third quarter. This quarter's provision for credit losses reflected the impact of the resolution of two larger commercial real estate relationships and the benefit of slightly improved economic conditions. *(See Credit Quality Discussion).*

Non-Interest Income

2006 Fourth Quarter versus 2005 Fourth Quarter

Non-interest income decreased \$6.7 million from the year-ago quarter, including a \$17.2 million decline in automobile operating lease income. That portfolio continued to run off since no automobile operating leases have been originated since April 2002. Non-interest income

before automobile operating lease income increased \$10.5 million, or 8% (\$7.2 million merger-related), reflecting :

- \$6.5 million, or 15% (\$1.6 million merger-related), increase in service charges on deposit accounts, reflecting a \$4.0 million, or 14%, increase in personal service charges, primarily NSF/OD, and a \$2.4 million, or 17%, increase in commercial service charge income.
- \$5.6 million increase in other income (\$2.1 million merger-related), reflecting \$2.8 million in higher equity investment gains, and the \$2.5 million gain on sale of MasterCard® stock.
- \$3.1 million, or 15% (\$1.7 million merger-related), increase in trust services income, reflecting (1) a \$1.6 million increase in higher personal trust income, mostly merger-related, and (2) a \$1.0 million increase in fees from Huntington Funds, reflecting 12% fund asset growth.
- \$2.3 million, or 20% (\$0.3 million merger-related), increase in other service charges and fees, primarily reflecting a \$1.5 million, or 18%, increase in fees generated by higher debit card volume.
- \$1.5 million, or 11% (\$0.5 million merger-related), increase in brokerage and insurance income, reflecting the continued focus on both brokerage and insurance sales in our retail banking offices.

Partially offset by:

- \$2.6 million, or 30%, decline in mortgage banking income, reflecting a \$2.5 million negative impact of MSR valuation adjustments net of hedge-related losses in the current quarter compared with a negative \$1.7 million in the year-ago quarter. The current quarter also included \$1.1 million of lower secondary marketing income, as well as an \$0.9 million loss on the sale of certain mortgage loans.
- \$15.8 million of investment securities losses in the current quarter reflecting the completion of the investment portfolio restructuring noted above *(see Significant Items)*, compared with \$8.8 million of securities losses in the year-ago quarter.

Table 2 shows that on a reported basis non-interest income declined 5% from the year-ago period. However, when fourth quarter reported total non-interest income for both years are adjusted to exclude automobile operating lease income, investment securities losses, the 2006 fourth quarter impact of the mortgage loan sale loss, and Unizan merger-related non-interest income, non-interest income increased 8% from the year-ago quarter. Management views this adjusted measure as more indicative of underlying non-interest income performance and is used for measuring the effectiveness of strategies to grow fee income.

Table 2 – Non-interest Income Analysis

(in millions)	4Q06	Better/(Worse)		4Q05
		Amount	Percent	
Total non-interest income — reported	\$ 140.6	\$ (6.7)	(5)%	\$ 147.3
Less: Automobile operating lease income	5.3			22.5
Sub-total	135.3	10.5	8	124.8
Add: Investment securities portfolio losses	15.8			8.8
Mortgage loan sale loss	0.9			N/A
Less: Unizan merger-related ⁽¹⁾	7.2			N/A
Total non-interest income — adjusted	\$ 144.7	\$ 11.2	8%	\$ 133.6

(1) Estimated period impact

2006 Fourth Quarter versus 2006 Third Quarter

Non-interest income increased \$42.7 million from the 2006 third quarter including the impact of a \$3.2 million decline in automobile operating lease income as that portfolio continued to run off. Non-interest income before automobile operating lease income increased \$45.9 million, reflecting:

- \$41.5 million positive change as the current quarter included \$15.8 million of investment securities losses, which compared favorably to the \$57.5 million of investment securities impairment recognized in the 2006 third quarter (see *Significant Items*).
- \$6.1 million increase in other income, primarily reflecting the \$2.5 million gain on the sale of MasterCard® stock and \$3.3 million in equity investment gains.
- \$1.0 million, or 5%, increase in trust services income.

Partially offset by:

- \$2.3 million decline in mortgage banking income, primarily reflecting the \$0.9 million loss on sale of mortgage loans in the current quarter compared to a \$1.3 million gain in the third quarter.
- \$1.3 million decrease in bank owned life insurance income.

Table 3 shows that on a reported basis non-interest income increased 44% from the 2006 third quarter. However, when 2006 fourth and third quarter reported total non-interest income are adjusted to exclude (1) automobile operating lease income and (2) the impact of the balance sheet restructuring consisting of investment securities losses and a mortgage loan sale loss, non-interest income increased 4%. Management views this adjusted measure as more indicative of underlying non-interest income performance for the 2006 fourth quarter compared with the prior quarter.

Table 3 – Non-interest Income Analysis

(in millions)	4Q06	Better/(Worse)		3Q06
		Amount	Percent	
Total non-interest income — reported	\$ 140.6	\$ 42.7	44%	\$ 97.9
Less: Automobile operating lease income	5.3			8.6
Sub-total	135.3	45.9	51	89.3
Add: Investment securities portfolio losses / impairment	15.8			57.5
Mortgage loan sale loss (gain)	0.9			(1.3)
Total non-interest income — adjusted	\$ 151.9	\$ 6.4	4%	\$ 145.5

Non-Interest Expense

2006 Fourth Quarter versus 2005 Fourth Quarter

Non-interest expense increased \$37.4 million, or 16%, from the year-ago quarter, despite a \$13.2 million decline in automobile operating lease expense as that portfolio continued to run off. Non-interest expense before automobile operating lease expense increased \$50.6 million, or 24%, from the year-ago quarter, with an estimated \$18.0 million attributable to Unizan. The primary drivers of the \$50.6 million increase were:

- \$22.4 million increase in other expense, including \$3.0 million of merger-related expense, a \$10.0 million contribution to the Huntington Foundation, the effect of which will be to reduce contributions in future periods, \$5.2 million of higher residual value losses on automobile leases, and \$3.5 million related to the restructuring of FHLB advances.
- \$21.8 million, or 19%, increase in personnel expense, with Unizan contributing \$7.7 million of the increase. The remaining \$14.1 million increase included \$4.5 million of severance and consolidation costs associated with a reduction of 75 staff positions in Regional Banking and costs associated with the previously announced retirements of a vice chairman and an executive vice president. The staff reductions in Regional Banking are expected to reduce annualized personnel costs by approximately \$6 million. The increase from the prior quarter also reflected \$5.1 million of share-based compensation expense, reflecting the stock option expensing begun in 2006.
- \$2.8 million increase in the amortization of intangibles, substantially all merger-related.
- \$2.1 million, or 13%, increase in equipment expense (\$0.5 million merger-related), reflecting higher depreciation associated with recent technology investments.
- \$1.5 million, or 20%, increase in professional services expenses, all merger-related.
- \$1.0 million, or 5%, increase in outside data processing and other services (\$0.5 million merger-related).

Discerning underlying non-interest expense performance trends requires adjusting reported non-interest expense so expenses in different periods can be analyzed on a comparable basis. Excluding automobile operating lease expense is helpful because its decline may overstate the impact of expense control efforts. Conversely, the merger with Unizan, as well as the expensing of share-based compensation that began in 2006, adds significant on-going expenses that did not exist in the 2005 fourth quarter and their inclusion may understate the impact of expense control efforts.

Table 4 shows that when 2006 and 2005 fourth quarter reported total non-interest expense are adjusted to exclude automobile operating lease expense, merger-related expenses including the increase in intangible amortization resulting from the merger; the 2005 fourth quarter is adjusted to reflect the effect of share-based compensation expense, which is included in reported 2006 fourth quarter expense but not in the prior-year quarter; and the 2006 fourth quarter is further adjusted to exclude the Huntington Foundation contribution, severance and consolidation costs, and the FHLB funding restructuring costs, underlying non-interest expense increased 5% from the year-ago quarter.

Table 4 — Non-interest Expense Analysis

(in millions)	4Q06	Better/(Worse)		4Q05
		Amount	Percent	
Total non-interest expense — reported	\$ 267.8	\$ (37.4)	(16)%	\$ 230.4
Less: Automobile operating lease expense	4.0			17.2
Sub-total	263.8	(50.6)	(24)	213.2
Add: Share-based compensation	N/A			4.8
Less: Unizan merger-related(1)	18.0			N/A
Huntington Foundation contribution	10.0			N/A
Severance and consolidation expenses	4.4			N/A
FHLB funding restructuring/other losses	3.5			N/A
Total non-interest expense — adjusted	\$ 227.9	\$ (9.9)	(5)%	\$ 218.0

(1) Includes estimated period impact plus increased intangible amortization

2006 Fourth Quarter versus 2006 Third Quarter

Non-interest expense increased \$25.4 million from the 2006 third quarter, despite a \$2.0 million decline in automobile operating lease expense as that portfolio continued to run off. Non-interest expense before automobile operating lease expense increased \$27.4 million, or 12%, reflecting:

- \$20.2 million increase in other expense, reflecting the \$10.0 million contribution to the Huntington Foundation, \$5.2 million of higher residual value losses on automobile leases, and \$3.5 million related to the restructuring of FHLB advances.
- \$4.1 million, or 3%, increase in personnel costs, reflecting the current quarter's \$4.5 million of severance and consolidation costs
- \$2.5 million, or 39%, increase in professional services, reflecting higher expenses associated with collection activities, as well as costs related to revenue initiatives.
- \$2.0 million, or 11%, increase in outside data processing and other services expense. Partially offset by:
- \$1.6 million, or 21%, decline in marketing expense due to timing of campaigns.

Table 5 shows that when 2006 fourth and third quarter reported total non-interest expense are adjusted to exclude automobile operating lease expense and Unizan merger-related integration costs in the prior period, and 2006 fourth quarter expenses are further adjusted to exclude the impact of the Huntington Foundation contribution, severance and consolidation costs, and the FHLB component of the balance sheet restructuring, non-interest expense increased 4% from the 2006 third quarter. Roughly, half of this increase was attributed to the increase in reserves for automobile lease residual value losses.

Table 5 — Non-interest Expense Analysis

(in millions)	4Q06	Better/(Worse)		3Q06
		Amount	Percent	
Total non-interest expense — reported	\$ 267.8	\$ (25.4)	(10)%	\$ 242.4
Less: Automobile operating lease expense	4.0			6.0
Sub-total	263.8	(27.4)	(12)	236.4
Less: Huntington Foundation contribution	10.0			N/A
Severance and consolidation expenses	4.5			N/A
FHLB funding restructuring/other losses	3.5			N/A
Unizan merger costs	(0.4)			0.5
Total non-interest expense — adjusted	\$ 246.2	\$ (10.3)	(4)%	\$ 235.9

Operating Leverage

A long-term objective of Management is to increase earnings primarily by growing revenues faster than expenses. Operating leverage measures the difference between these two growth rates. However, over any given measurement period, certain items may occur that distort reported revenue or expense trends. As such, reported revenue and expenses are adjusted so that the two measurement periods are on as much of a comparable basis as possible. Management believes this permits a clearer analysis of the ability to achieve the long-term objective of generating positive operating leverage (see *Basis of Presentation — Operating Leverage for a full discussion of the adjustment criteria methodology*).

While operating leverage is measured quarterly, the corporate objective is to create positive operating leverage annually. On a reported basis, full-year revenue declined less than one percent, with reported expenses increasing 3%. This resulted in 4% negative operating leverage on a reported basis. However, on an adjusted basis, revenues increased 8% and expenses rose 7%, resulting in 1% positive operating leverage on an adjusted basis for full-year 2006.

Table 6 — Operating Leverage Analysis⁽¹⁾

(in millions)	12 Mo.	12 Mo.	Better /(Worse)	
	2006	2005	Amount	Percent
Revenue FTE — reported⁽²⁾	\$ 1,596.3	\$ 1,608.1	\$ (11.8)	(1)%
• Automobile operating lease expense	(31.3)	(103.9)		
• Securities losses	73.2	8.1		
• MSR FAS 156 accounting change	(5.1)	—		
• Gain on sale of MasterCard® stock	(3.3)	—		
• Adjustment to defer home equity annual fees	2.4	—		
• Adjustment for equity method investments	3.2	—		
• Loss on sale of mortgage loans	0.9	—		
Revenue FTE — adjusted	\$ 1,636.2	\$ 1,512.3	\$ 123.9	8%
Non-interest expense — reported	\$ 1,001.0	\$ 969.8	\$ (31.2)	(3)%
• Automobile operating lease expense	(31.3)	(103.9)		
• Amortization of intangibles	(10.0)	(0.8)		
• Huntington Foundation contribution	(10.0)	—		
• FHLB funding restructuring/other losses	(3.5)	—		
• SEC and regulatory-related expenses	—	(5.1)		
• Severance and consolidation expenses	(4.5)	(3.6)		
• Unizan merger costs	(3.7)	(0.7)		
• Share-based compensation	NA	18.3		
Non-interest expense — adjusted	\$ 937.9	\$ 874.1	\$ (63.9)	(7)%
Operating leverage — reported				(4)%
Operating leverage — adjusted				1%
Efficiency ratio⁽³⁾ — reported	59.4%	60.0%		
Efficiency ratio⁽³⁾ — adjusted	57.3%	57.8%		

(1) See Basis of Presentation — Operating Leverage for a discussion of adjustment criteria methodology

(2) Fully taxable equivalent net interest income + non-interest income

(3) Non-interest expense less amortization of intangibles, divided by net interest income (FTE) and non-interest income excluding securities gains (losses)

Income Taxes

The provision for income taxes in the 2006 fourth quarter was \$27.3 million with an effective tax rate of 23.8%. For the full year, the effective tax rate was 10.3%, reflecting the \$84.5 million reduction of federal income tax expense related to the resolution of a federal income tax audit covering tax years 2002 and 2003 that resulted in the release of previously established federal income tax reserves, as well as the recognition of federal tax loss carry backs. The effective tax rate for 2007 is expected to increase to a more typical rate just below 30%. Following the anticipated merger of Sky Financial Group, the effective tax rate is expected to approximate 30%.

Credit Quality

Total net charge-offs for the 2006 fourth quarter were \$23.0 million, or an annualized 0.35% of average total loans and leases. This performance remained at the low end of the long-term targeted range of 0.35%-0.45%, but was higher than \$17.6 million, or an annualized 0.29%, in the year-ago quarter and \$21.2 million, or an annualized 0.32%, of average total loans and leases in the 2006 third quarter.

Total commercial net charge-offs in the fourth quarter were \$6.8 million, or an annualized 0.22%, up \$3.2 million from \$3.6 million, or an annualized 0.13%, in the year-ago quarter. Compared with the 2006 third quarter, the increase in total commercial net charge-offs reflected the negative impact of higher middle market CRE net charge offs, partially offset by the benefit of net middle market C&I recoveries due to the recovery on one large credit charged off in 2002. The increase in middle market CRE net charge-offs was influenced by the continued stress in the housing market, and a charge-off associated with the strategic exit of a relationship with a major Ohio-based homebuilder.

Total consumer net charge-offs in the current quarter were \$16.2 million, up \$2.2 million from \$14.0 million in the year-ago quarter. When expressed as an annualized percentage, total consumer net charge-offs in the 2006 fourth quarter were 0.46% of average related loans, up from 0.41% in the year-ago quarter. Compared with the 2006 third quarter, total consumer net charge-offs increased \$1.8 million from \$14.4 million, with a 6 basis point increase in the annualized net charge-off ratio to 0.46% from 0.40% of average related loans, reflecting a \$1.2 million increase in automobile loan and lease net charge-offs and a \$1.4 million increase in residential mortgage net charge-offs. The increase in automobile loan and lease net charge-offs was somewhat seasonal, but also reflected softer used car markets. Overall, the automobile loan and lease portfolios continued to perform well within expectations. The higher residential

mortgage net charge-offs reflected a level of larger-dollar losses that is not expected to continue.

Home equity net charge-offs in the 2006 fourth quarter were \$5.8 million, or an annualized 0.47%, up from \$4.5 million, or an annualized 0.38%, in the year-ago quarter, but down from \$6.7 million, or an annualized 0.53%, in the prior quarter.

Despite this quarter's increase in real estate-related problem credits, and unless housing market conditions materially worsen, the company's conservative underwriting standards of the last several years, as well as on-going loss mitigation strategies are expected to result in only a modest, if any, increase in NPAs and net charge-offs in coming quarters. While the increase in NPAs was significant, net charge-offs associated with OREO are more a reflection of current period net charge-offs as the assets are revalued, than necessarily an indicator of higher future net charge-offs.

NPAs were \$199.6 million at December 31, 2006, and represented 0.76% of related assets. This represented an \$82.4 million, or 70%, increase from \$117.2 million, or 0.48% of related assets, at the end of the year-ago quarter, and a \$28.4 million, or 17%, increase from \$171.2 million, or 0.65% of related assets, at September 30, 2006.

Contributing to the \$82.4 million increase in NPAs from the year-ago period were \$33.8 million acquired at the time of the Unizan merger, as well as a \$34.2 million increase in other real estate owned (OREO). The increase in OREO reflected foreclosed mortgage loans fully guaranteed by the U.S. government, which prior to the 2006 second quarter were previously reported as over 90-day delinquent but still accruing loans. This change in reporting also contributed to the \$26.5 million increase in assets guaranteed by the U.S. government, from \$7.3 million at the end of the 2005 fourth quarter to \$33.9 million at December 31, 2006. At December 31, 2006, 60% of total NPAs were secured by residential real estate assets or were guaranteed by the U.S. Government, which have shown low loss experience historically. This compared favorably with the 42% level of such NPAs at the end of the year-ago quarter, and 59% at September 30, 2006.

NPLs, which exclude OREO, increased \$48.2 million, or 47%, from the year-earlier period to \$150.1 million at December 31, 2006, with \$32.8 million of the increase represented by NPLs acquired in the Unizan merger. NPLs increased \$20.8 million, or 16%, from September 30, 2006, primarily due to softness in residential real estate markets. This resulted in an increase in middle market CRE NPLs, primarily related to two relationships, as well as broader-based increases in residential mortgage and home equity NPLs. The increase in small business banking NPLs was also broad-based, with no specific region contributing a disproportional amount of the increase. For residential real estate secured portfolios, as assets are transferred to NPL or OREO status, their values are written down to market values, with a resulting increase in related current period net charge-offs. This revaluation of the assets mitigates to some degree the potential for further net charge-offs associated with these assets in coming periods. NPLs expressed as a percent of total loans and leases were 0.57% at December 31, 2006, up from 0.42% a year earlier and from 0.49% at September 30, 2006.

The over 90-day delinquent, but still accruing, ratio was 0.23% at December 31, 2006, unchanged from the end of the year-ago quarter, and down from 0.24% at September 30, 2006.

Allowances for Credit Losses (ACL) and Loan Loss Provision

We maintain two reserves, both of which are available to absorb probable credit losses: the allowance for loan and lease losses (ALLL) and the allowance for unfunded loan commitments and letters of credit (AULC). When summed together, these reserves constitute the total ACL.

At December 31, 2006, the ALLL was \$272.1 million, which was \$3.7 million higher than \$268.3 million a year earlier, but \$8.1 million lower than \$280.2 million at September 30, 2006. Expressed as a percent of period-end loans and leases, the ALLL ratio at December 31, 2006, was 1.04%, down from 1.10% a year ago and from 1.06% at September 30, 2006. The level of required loan loss reserves is determined using a highly quantitative methodology, which determines the required levels for both the transaction reserve and economic reserve components. Table 7 shows the change in the ALLL ratio and each reserve component for the 2006 third and fourth quarters, as well as the 2005 fourth quarter.

Table 7 — Components of ALLL as Percent of Total Loans and Leases

	4Q06	3Q06	4Q05	4Q06 change from	
				3Q06	4Q05
Transaction reserve ⁽¹⁾	0.86%	0.86%	0.89%	—%	(0.03)%
Economic reserve	0.18	0.20	0.21	(0.02)	(0.03)
Total ALLL	1.04%	1.06%	1.10%	(0.02)%	(0.06)%

(1) Includes specific reserve

The decline in the economic reserve component at December 31, 2006, from the end of the third quarter primarily reflected improvements in consumer confidence and consumer spending, as well as the consistently low loss level experience of the past three years.

The ALLL as a percent of NPLs was 181% at December 31, 2006, down from 263% a year ago and from 217% at September 30, 2006. The ALLL as a percent of NPAs was 136% at December 31, 2006, down from 229% a year ago and from 164% at September 30, 2006. At December 31, 2006, the AULC was \$40.2 million, up from \$37.0 million at the end of the year-ago quarter, and from \$39.3 million at September 30, 2006.

On a combined basis, the ACL as a percent of total loans and leases at December 31, 2006, was 1.19%, down from 1.25% a year ago and from 1.21% at September 30, 2006. The ACL as a percent of NPAs was 156% at December 31, 2006, down from 261% a year earlier and 187% at September 30, 2006. The decline in the NPA coverage ratio reflected (1) that a higher percentage of NPAs were secured by residential real estate or guaranteed by the U.S. Government, which have an inherently lower potential for loss, and (2) a reporting change in 2006 to include in NPAs foreclosed loans guaranteed by GNMA and serviced by Huntington, that had been previously reported as 90-day past due loans.

Capital

At December 31, 2006, the tangible equity to assets ratio was 6.87%, down from 7.19% a year ago and from 7.13% at September 30, 2006. At December 31, 2006, the tangible equity to risk-weighted assets ratio was 7.61%, down from 7.91% at the end of the year-ago quarter and from 7.97% at September 30, 2006.

Contributing to the decline in capital ratios was the implementation of FASB Statement No. 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans*. This decreased equity by \$83.0 million but had no effect on reported net income. This implementation contributed 24 basis points of the 26 basis point reduction in the tangible equity ratio from the end of the third quarter, and 24 basis points of the 32 basis point reduction from the end of last year. The decline in capital ratios from the year-ago period also reflected the repurchase of 16.0 million shares over this 12-month period, including 3.1 million shares repurchased in the fourth quarter. There are currently 3.9 million shares remaining available under the current share repurchase authorization announced April 20, 2006. The company may make additional share purchases from time-to-time in the open market or through privately negotiated transactions depending on market conditions. Partially offsetting these negative impacts was the positive impact from retained earnings.

FULL YEAR PERFORMANCE DISCUSSION

Earnings for full-year 2006 were \$461.2 million, or \$1.92 per common share, compared with \$412.1 million, or \$1.77 per common share, in 2005.

Full-year 2006 results of \$1.92 per common share included a net \$0.10 per common share positive impact reflecting (See Table 8 below):

- \$0.35 per common share positive impact due to a reduction of federal income tax expense in the 2006 third quarter,

Partially offset by:

- \$0.21 per common share negative impact of subsequent balance sheet restructuring consisting of the third quarter's investment securities impairment (\$0.16 per common share) and the completion of the balance sheet restructuring during the 2006 fourth quarter (\$0.05 per common share),
- \$0.03 per common share negative impact resulting from a fourth quarter contribution to the Huntington Foundation, and

Full-year 2005 results of \$1.77 per common share included a net \$0.01 per common share positive impact, primarily reflecting \$0.12 per common share related to a positive impact of a federal tax loss carry back, mostly offset by a number of other significant items (See Table 8 below).

Adjusting for these significant items in both years, adjusted full-year earnings in 2006 were \$1.82 per common share, up \$0.06, or 3%, from the prior year.

Commenting on full-year performance, Hoaglin said, "Full-year earnings on an adjusted basis were in line with our expectations and represented another record year for Huntington. This past year we clearly demonstrated continued improvement in our underlying performance. We also made progress in setting the stage for future earnings growth. Strategically, this reflected two events. First was the completion of the acquisition of Unizan Financial Corp. on March 1, 2006 and its subsequent successful integration. Second was the agreement we announced late in the fourth quarter to acquire Sky Financial Group. Both of these transactions will broaden our customer base, increase our market share, and provide growth opportunities.

Huntington ended the year positioned to be a much more formidable competitor within our Midwest markets.”

“From a financial performance perspective, we made progress in a number of areas that gives us confidence as we move into 2007. Even after taking into account the impact of the Unizan merger, average commercial loans increased, particularly gaining some momentum late in the year. On this same basis, and though we saw growth in average residential real estate and home equity loans, momentum in the second half of the year suffered as the residential real estate market entered a period of softness. We were pleased that our average margin was relatively stable, declining only 4 basis points during a difficult interest rate environment and a period of highly competitive loan and deposit pricing. Importantly, the capital resulting from the significant tax refund benefit helped facilitate the fourth quarter balance sheet restructuring that had the desired impact of increasing the fourth quarter net interest margin and sets the stage for margin stability going into 2007.”

“Trends in core fee income activities were positive,” he continued. “Even after taking into account the positive impact from the Unizan merger, we saw very good increases in mortgage banking income, service charges on deposit accounts, trust services, other service charges and fees, and brokerage and insurance income. On the expense side, and after taking into account the significant items noted in Table 8 and the initiation of expensing for stock options this year, expenses were well contained. Year-end capital ratios were strong.”

“Overall, reported revenues declined 1% while expenses increased 3%, resulting in a negative reported operating leverage of 4%. However, after adjusting for operating lease accounting and other large items that impact comparability between years (see Table 6), adjusted revenue grew 8% and expenses increased 7%, resulting in 1% positive operating leverage.”

“Credit quality performance was in line with expectations with our 0.32% net charge-off ratio remaining below our targeted 0.35%-0.45% range. Yet, continued softness in some of our markets, and especially the residential real estate markets, resulted in a 70% increase in NPAs at year end. About 40% of this increase reflected the Unizan merger, with most of the remaining increase reflecting foreclosed mortgage loans fully guaranteed by the U.S. government, which prior to the 2006 third quarter were reported as over 90-day delinquent but still accruing loans. While higher on an absolute basis, it is important to note that 60% of our year-end NPAs were secured by residential real estate assets or were guaranteed by the U.S. Government. As we head into 2007, we do not see much change from where we ended the year.”

Table 8 — Significant Items Impacting Earnings Performance Comparisons (1)

Twelve Months Ended

(in millions, except per share)	Impact(2)	
	Pre-tax	EPS
December 31, 2006 — GAAP earnings	\$ 461.2(3)	\$ 1.92
• Reduction to federal income tax expense	84.5(3)	0.35
• Equity investment gains	7.4	0.02
• MSR FAS 156 accounting change	5.1	0.01
• Gain on sale of MasterCard® stock	3.3	0.01
• 3Q investment securities impairment	(57.5)	(0.16)
• 4Q completion of balance sheet restructuring	(20.2)	(0.05)
• Huntington Foundation contribution	(10.0)	(0.03)

(in millions, except per share)	Impact(2)	
	Pre-tax	EPS
• Automobile lease residual value losses	(5.5)	(0.01)
• Severance and consolidation expenses	(4.5)	(0.01)
• Unizan merger costs	(3.7)	(0.01)
• Adjustment for equity method investments	(3.2)	(0.01)
• Adjustment to defer home equity annual fees	(2.4)	(0.01)
December 31, 2005 — GAAP earnings	\$ 412.1(3)	\$ 1.77
• Net impact of federal tax loss carry back	26.9(3)	0.12
• Securities losses	(8.1)	(0.02)
• MSR mark-to-market net of hedge-related trading activity	(9.0)	(0.02)
• Single C&I charge-off impact, net of allocated reserves	(6.4)	(0.02)
• Net impact of repatriating foreign earnings	(5.0)(3)	(0.02)
• Severance and consolidation expenses	(5.1)	(0.01)
• SEC and regulatory-related expenses	(3.7)	(0.01)
• Write-off of equity investment	(2.6)	(0.01)

(1) Includes significant items with \$0.01 EPS impact or greater

(2) Favorable (unfavorable) impact on GAAP earnings; after-tax unless otherwise noted

(3) After-tax

2007 OUTLOOK

When earnings guidance is given, it is the company's practice to do so on a GAAP basis, unless otherwise noted. Such guidance includes the expected results of all significant forecasted activities. However, guidance typically excludes potential unusual, one-time items, or selected items where the timing and financial impact is uncertain until the impact can be reasonably forecasted.

Overall, the 2007 economic environment is expected to be little changed from 2006. Weakness in the automotive manufacturing and supplier sector is expected to continue. Though our exposure is modest, how much this weakness impacts other banking activities is unknown. Our assumption is that this will remain modest and mostly concentrated in our East Michigan and Northern Ohio regions. Interest rates are expected to remain relatively stable and it is anticipated that the yield curve will continue to remain flat to slightly inverted. We will continue to target our interest rate risk position at our customary neutral position.

On December 20, the company announced its pending merger with Sky Financial Group. This merger is subject to approval by Huntington and Sky Financial shareholders, regulatory approvals, and other customary closing conditions. As previously announced, the merger is expected to close early in the 2007 third quarter and is estimated to be accretive to 2007 GAAP earnings by \$0.01 per share, excluding merger charges. The following list of assumptions is for Huntington excluding any impact from Sky Financial Group. The 2007 full year GAAP earnings per share guidance includes this targeted accretion.

- Revenue growth in the low- to mid-single digit range reflecting:(1)
 - Full year net interest margin relatively consistent with that of the 2006 fourth quarter level.

- Average total loan growth in the mid-single digit range, with total commercial loans in the mid- to upper-single digit range and total consumer loans being flat, reflecting continued softness in residential mortgages and home equity loans.
- Core deposit growth in the low- to mid-single digit range.
- Non-interest income growth in the mid- to higher-single digit range.
- Non-interest expense growth in the low single-digit range.
- Revenue that grows faster than expenses, resulting in positive operating leverage in the low single digit range and continued improvement in the efficiency ratio.
- A net charge-off ratio at the lower end of the company's 0.35%-0.45% targeted range.
- Relatively stable NPA and allowance for loan and lease loss ratios compared with levels at December 31, 2006.
- No sizable stock repurchase activity.

(1) Excluding automobile operating lease accounting impact.

Within this type of environment, targeted full-year 2007 GAAP earnings are \$1.87-\$1.92 per common share, inclusive of an estimated \$0.01 earnings per share accretion impact from the Sky Financial Group merger.

6% INCREASE IN QUARTERLY CASH DIVIDEND DECLARED

Huntington Bancshares Incorporated today announced that the board of directors has declared a quarterly cash dividend on its common stock of \$0.265 per common share, a 6.0% increase from the current quarterly dividend of \$0.25 per common share. The dividend is payable April 2, 2007, to shareholders of record on March 15, 2007.

"The board is pleased to announce this increase in our common stock dividend," said Hoaglin. "It is made possible by our financial performance and reflects our optimism for continued progress. We have a very strong capital base and expect to continue to generate excess capital. Our board recognizes the importance of dividends and dividend growth to our shareholders. The increase announced today continues a dividend payout ratio of approximately 55%, which we believe is warranted in the current, slower growth environment."

Conference Call / Webcast Information

Huntington's senior management will host an earnings conference call today at 1:00 p.m. (Eastern Time). The call may be accessed via a live Internet webcast at huntington-ir.com or through a dial-in telephone number at 800-223-1238; conference ID 3326818. Slides will be available at huntington-ir.com just prior to 1:00 p.m. (Eastern Time) today for review during the call. A replay of the webcast will be archived in the Investor Relations section of Huntington's web site huntington-ir.com. A telephone replay will be available approximately two hours after the completion of the call through January 31, 2007 at 800-642-1687; conference ID 3326818.

Forward-looking Statement

This press release contains certain forward-looking statements, including certain plans, expectations, goals, and projections, and including statements about the benefits of the merger between Huntington and Sky Financial Group,

which are subject to numerous assumptions, risks, and uncertainties. Actual results could differ materially from those contained or implied by such statements for a variety of factors including: the businesses of Huntington and Sky Financial Group may not be integrated successfully or such integration may take longer to accomplish than expected; the expected cost savings and any revenue synergies from the merger may not be fully realized within the expected timeframes; disruption from the merger may make it more difficult to maintain relationships with clients, associates, or suppliers; the required governmental approvals of the merger may not be obtained on the proposed terms and schedule; Huntington and/or Sky Financial Group's stockholders may not approve the merger; changes in economic conditions; movements in interest rates; competitive pressures on product pricing and services; success and timing of other business strategies; the nature, extent, and timing of governmental actions and reforms; and extended disruption of vital infrastructure; and other factors including but not limited to those set forth under the heading "Risk Factors" included in Item 1A of Huntington's Annual Report on Form 10-K/A for the year ended December 31, 2005, and other factors described from time to time in Huntington's other filings with the Securities and Exchange Commission, could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements described in Huntington's 2005 Annual Report on Form 10-K/A and documents subsequently filed by Huntington with the Securities and Exchange Commission. All forward-looking statements included in this news release are based on information available at the time of the release. Huntington assumes no obligation to update any forward-looking statement.

Additional Information About the Merger and Where to Find It

In connection with the proposed merger between Huntington and Sky Financial Group, Huntington and Sky Financial will be filing relevant documents concerning the transaction with the Securities and Exchange Commission, including a registration statement on Form S-4, which will include a proxy statement/prospectus. Stockholders will be able to obtain a free copy of the proxy statement/prospectus, as well as other filings containing information about Huntington and Sky Financial Group, at the Securities and Exchange Commission's internet site (<http://www.sec.gov>). Copies of the proxy statement/prospectus and the filings with the Securities and Exchange Commission that will be incorporated by reference in the proxy statement/prospectus can also be obtained, without charge, by directing a request to Huntington Bancshares Incorporated, Huntington Center, 41 South High Street, Columbus, Ohio 43287, Attention: Investor Relations, 614-480-5676, or Sky Financial Group, 221 South Church Street, Bowling Green, Ohio, 43402. The final proxy statement / prospectus will be mailed to stockholders of Huntington and Sky Financial Group.

Stockholders are urged to read the proxy statement/prospectus, and other relevant documents filed with the Securities and Exchange Commission regarding the proposed transaction when they become available, because they will contain important information.

The directors and executive officers of Huntington and Sky Financial Group and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. Information regarding Huntington's directors and executive officers is available in its proxy statement filed with the SEC by Huntington on March 8, 2006. Information regarding Sky Financial Group's directors and executive officers is available in its proxy statement filed with the SEC by Sky Financial Group on February 23, 2006. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Basis of Presentation

Use of Non-GAAP Financial Measures

This earnings release contains GAAP financial measures and non-GAAP financial measures where management believes it to be helpful in understanding Huntington's results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in this release or in the Quarterly Financial Review supplement to this earnings release, which can be found on Huntington's website at huntington-ir.com.

Operating Leverage

A long-term objective of Management is to increase earnings by growing revenues faster than expenses over a certain measured period, typically annually. Operating leverage measures the difference between the two growth rates; e.g., if revenues grow 6% and expenses grow 4%, 2% positive operating leverage is generated. However, over

any given measurement period, certain items may occur that distort reported revenue or expense trends. For example, the introduction of a new accounting standard might distort the current period's reported revenue growth rate. Similarly, an acquisition may result in certain reported merger-related charges that distort longer-term underlying expense performance trends. Therefore, to determine a clearer picture of underlying trends in operating leverage, Management adjusts reported revenues and/or expenses to remove the impact of such items that affect comparability and distort underlying operating leverage performance. This results in an adjusted operating leverage measurement, which helps Management and investors better understand core performance trends.

Specific adjustments we consider include:

1. Reducing reported revenues by the amount of automobile operating lease expense. Doing so more closely mirrors the revenue reporting methodology of direct finance lease accounting. This is important in assessing the company's on-going revenue trends in that, since April 2002, direct financing lease accounting has been used for all new automobile leases originations, and the existing operating lease portfolio has continued to run-off.
2. Excluding the impact of investment securities gains (losses). It is our practice to exclude these from revenue and efficiency ratio calculations to provide better comparability of performance relative to peers. This is because such gains (losses) may fluctuate significantly between periods, and between companies, thus distorting underlying revenue trends for both the company, and in the context of peer performance comparisons.
3. Excluding the impact from the amortization of intangible expense. It is our practice to exclude this from efficiency ratio calculations. Amortization of intangible expense typically arises from acquisition transactions, and results in a significant expense increase in periods soon after the acquisition. However, such amortization typically declines in later periods, thus distorting expense trends.
4. Excluding or otherwise adjusting for the impact of significant revenues or expenses that are judged to be one-time or short-term in nature. Examples would be (1) expenses that arise from specific management initiatives such as severance and/or consolidation expenses, (2) gains or losses associated with the disposition of assets, (3) Huntington Foundation contributions, and (4) merger-related integration costs as they typically impact expenses for only a few quarters during the period of transition; e.g. restructuring charge, asset valuation adjustments, etc.
5. Excluding changes due to new accounting standards that affect comparability of revenue or expenses between reported periods; e.g., stock-based compensation expensing. When a new accounting standard results in the restatement of historical period revenues and expenses, no adjustment is made. If there is no historical restatement, but it is possible to make a reasonable estimate of what the impact would have been, the prior period will be adjusted as if the standard had been in place; e.g. share-based compensation that began in 2006. However, if there is no historical restatement and it is not possible to estimate an historical period's comparable amount, the current period is adjusted to exclude the impact from the operating leverage calculation until both periods being compared include its impact.

Estimating the Impact on Balance Sheet and Income Statement Results Due to the Unizan Merger

The merger with Unizan Financial Corp. (Unizan) was completed on March 1, 2006. At the time of acquisition, Unizan had assets of \$2.5 billion, including \$1.6 billion of loans, and core deposits of \$1.5 billion. Unizan results were only in consolidated results for a partial quarter in the 2006 first quarter, but fully impact all quarters thereafter. As a result, performance comparisons between 2006 fourth quarter and year-to-date periods with comparable 2005 periods are affected, as Unizan results were not in the prior period. In contrast, comparisons between the 2006 fourth and third quarter results are not affected given Unizan fully impacted both of these quarters. Comparisons of the 2006 fourth quarter and year-to-date reported results compared with 2005 pre-merger reporting periods are impacted as follows:

- Increased certain reported period-end balance sheet and credit quality items (e.g., non-performing loans).
- Increased reported average balance sheet, revenue, expense, and credit quality results (e.g., net charge-offs).
- Increased reported non-interest expense items as a result of costs incurred as part of merger-integration activities, most notably employee retention bonuses, outside programming services related to systems conversions, and marketing expenses related to customer retention initiatives. These net merger costs were \$1.0 million in the 2006 first quarter, \$2.6 million in the 2006 second quarter, \$0.5 million in the 2006 third quarter, and a negative \$0.4 million in the 2006 fourth quarter, resulting in \$3.7 million of merger costs for full year 2006.

Given the impact of the merger on reported 2006 results, management believes that an understanding of the impacts of the merger is necessary to understand better underlying performance trends. When comparing post-merger period results to pre-merger periods, two terms relating to the impact of the Unizan merger on reported results are used:

- “Merger-related” refers to amounts and percentage changes representing the impact attributable to the merger.
- “Merger costs” represent expenses associated with merger integration activities.

The following methodology has been implemented to estimate the approximate effect of the Unizan merger used to determine “merger-related” impacts.

Balance Sheet Items

For loans and leases, as well as core deposits, balances as of the acquisition date are pro-rated to the post-merger period being used in the comparison. To estimate the impact on 2006 first quarter average balances, one-third of the closing date balance was used as those balances were in reported results for only one month of the quarter. Full quarter and year-to-date estimated impacts for subsequent periods were developed using this same pro-rata methodology. This methodology assumes acquired balances will remain constant over time.

Income Statement Items

For income statement line items, Unizan’s actual full year results for 2005 were used for pro-rating the impact on post-merger periods. For example, to estimate the 2006 first quarter impact of the merger on personnel costs, one-twelfth of Unizan’s full-year 2005 personnel costs was used. Full quarter and year-to-date estimated impacts for subsequent periods were developed using this same pro-rata methodology. This results in an approximate impact since the methodology does not adjust for any unusual items or seasonal factors in Unizan’s 2005 reported results, or synergies realized since the merger date. The one exception to this methodology relates to the amortization of intangibles expense where the actual post-merger amount was used.

Table 9 below provides detail of changes to selected reported results to quantify the impact of the Unizan merger and the impact of all other factors using this methodology:

Table 9 — Estimated Impact of Unizan Merger

2006 Fourth Quarter versus 2005 Fourth Quarter

Average Loans and Deposits (in millions)	Fourth Quarter		Change		Unizan Merger Related	Other	
	2006	2005	Amount	Percent		Amount	Percent
Loans							
Middle-market C&I	\$ 5,831	\$ 4,946	\$ 885	17.9%	\$ 70	\$ 815	16.5%
Middle-market CRE	3,938	3,598	340	9.4	723	(383)	(10.6)
Small business	2,543	2,230	313	14.0	—	313	14.0
Total commercial	12,312	10,774	1,538	14.3	793	745	6.9
Automobile loans and leases	3,949	4,355	(406)	(9.3)	71	(477)	(11.0)
Home equity	4,973	4,781	192	4.0	223	(31)	(0.6)
Residential mortgage	4,635	4,165	470	11.3	409	61	1.5
Other consumer	430	393	37	9.4	167	(130)	(33.1)
Total consumer	13,987	13,694	293	2.1	870	(577)	(4.2)
Total loans	\$ 26,299	\$ 24,468	\$ 1,831	7.5%	\$ 1,663	\$ 168	0.7%
Deposits							
Demand deposits — non-interest bearing	\$ 3,580	\$ 3,444	\$ 136	3.9%	\$ 173	\$ (37)	(1.1)%
Demand deposits — interest bearing	7,767	7,496	271	3.6	243	28	0.4
Savings and other domestic time deposits	2,849	2,984	(135)	(4.5)	511	(646)	(21.6)
Core certificates of deposit	5,380	3,891	1,489	38.3	620	869	22.3
Total core deposits	19,576	17,815	1,761	9.9	1,547	214	1.2
Other deposits	5,132	4,627	505	10.9	180	325	7.0
Total deposits	\$ 24,708	\$ 22,442	\$ 2,266	10.1%	\$ 1,727	\$ 539	2.4%

Selected Income Statement Categories (in thousands)	Fourth Quarter		Change		Unizan		Other	
	2006	2005	Amount	Percent	Merger Related	Merger Costs	Amount	Percent
	Net interest income — FTE	\$ 262,104	\$ 247,513	\$ 14,591	5.9%	\$ 17,694	\$ —	\$ (3,103)
Service charges on deposit accounts	\$ 48,548	\$ 42,083	\$ 6,465	15.4%	\$ 1,578	\$ —	\$ 4,887	11.6%
Trust services	23,511	20,425	3,086	15.1	1,653	—	1,433	7.0
Brokerage and insurance income	14,600	13,101	1,499	11.4	456	—	1,043	8.0
Bank owned life insurance income	10,804	10,389	415	4.0	786	—	(371)	(3.6)
Other service charges and fees	13,784	11,488	2,296	20.0	309	—	1,987	17.3
Mortgage banking income (loss)	6,169	8,818	(2,649)	(30.0)	258	—	(2,907)	(33.0)
Securities gains (losses)	(15,804)	(8,770)	(7,034)	80.2	—	—	(7,034)	80.2
Gains on sales of automobile loans	1,252	455	797	N.M.	—	—	797	N.M.
Other income	32,398	26,799	5,599	20.9	2,136	—	3,463	12.9
Sub-total before automobile operating lease income	135,262	124,788	10,474	8.4	7,176	—	3,298	2.6
Automobile operating lease income	5,344	22,534	(17,190)	(76.3)	—	—	(17,190)	(76.3)
Total non-interest income	\$ 140,606	\$ 147,322	\$ (6,716)	(4.6)%	\$ 7,176	\$ —	\$ (13,892)	(9.4)%
Personnel costs	\$ 137,944	\$ 116,111	\$ 21,833	18.8%	\$ 7,725	\$ (373)	\$ 14,481	12.5%
Net occupancy	17,279	17,940	(661)	(3.7)	1,290	—	(1,951)	(10.9)
Outside data processing and other services	20,695	19,693	1,002	5.1	501	(82)	583	3.0
Equipment	18,151	16,093	2,058	12.8	516	—	1,542	9.6
Professional services	8,958	7,440	1,518	20.4	1,473	24	21	0.3
Marketing	6,207	7,145	(938)	(13.1)	267	—	(1,205)	(16.9)
Telecommunications	4,619	4,453	166	3.7	366	—	(200)	(4.5)
Printing and supplies	3,610	3,084	526	17.1	—	1	525	17.0
Amortization of intangibles	2,993	218	2,775	N.M.	2,786	—	(11)	(5.0)
Other expense	43,365	20,995	22,370	N.M.	3,027	1	19,342	92.1
Sub-total before automobile operating lease expense	263,821	213,172	50,649	23.8	17,951	(429)	33,127	15.5
Automobile operating lease expense	3,969	17,183	(13,214)	(76.9)	—	—	(13,214)	(76.9)
Total non-interest expense	\$ 267,790	\$ 230,355	\$ 37,435	16.3%	\$ 17,951	\$ (429)	\$ 19,913	8.6%

2006 Full Year versus 2005 Full Year

Average Loans and Deposits (in millions)	Twelve Months Ended December 31,		Change		Unizan Merger Related	Other	
	2006	2005	Amount	Percent		Amount	Percent
	Loans						
Middle-market C&I	\$ 5,501	\$ 4,817	\$ 684	14.2%	\$ 58	\$ 626	13.0%
Middle-market CRE	3,950	3,586	364	10.2	603	(239)	(6.7)
Small business	2,414	2,224	190	8.5	—	190	8.5
Total commercial	11,865	10,627	1,238	11.6	661	577	5.4
Automobile loans and leases	4,088	4,465	(377)	(8.4)	59	(436)	(9.8)
Home equity	4,970	4,752	218	4.6	186	32	0.7
Residential mortgage	4,581	4,081	500	12.3	340	160	3.9
Other consumer	439	383	56	14.6	140	(84)	(21.9)
Total consumer	14,078	13,681	397	2.9	725	(328)	(2.4)
Total loans	\$ 25,943	\$ 24,308	\$ 1,635	6.7%	\$ 1,386	\$ 249	1.0%
Deposits							
Demand deposits — non-interest bearing	\$ 3,530	\$ 3,379	\$ 151	4.5%	\$ 144	\$ 7	0.2%
Demand deposits — interest bearing	7,742	7,658	84	1.1	202	(118)	(1.5)
Savings and other domestic time deposits	2,992	3,156	(164)	(5.2)	426	(590)	(18.7)
Core certificates of deposit	5,050	3,334	1,716	51.5	517	1,199	36.0
Total core deposits	19,314	17,527	1,787	10.2	1,289	498	2.8
Other deposits	4,870	4,485	385	8.6	150	235	5.2
Total deposits	\$ 24,184	\$ 22,012	\$ 2,172	9.9%	\$ 1,439	\$ 733	3.3%

Selected Income Statement Categories (in thousands)	Twelve Months Ended December 31,		Change		Unizan		Other	
	2006	2005	Amount	Percent	Merger Related	Merger Costs	Amount	Percent
Net interest income — FTE	\$ 1,035,202	\$ 975,804	\$ 59,398	6.1%	\$ 58,980	\$ —	\$ 418	0.0%
Service charges on deposit accounts	\$ 185,713	\$ 167,834	\$ 17,879	10.7%	\$ 5,260	\$ —	\$ 12,619	7.5%
Trust services	89,955	77,405	12,550	16.2	5,510	—	7,040	9.1
Brokerage and insurance income	58,835	53,619	5,216	9.7	1,520	—	3,696	6.9
Bank owned life insurance income	43,775	40,736	3,039	7.5	2,620	—	419	1.0
Other service charges and fees	51,354	44,348	7,006	15.8	1,030	—	5,976	13.5
Mortgage banking income (loss)	41,491	28,333	13,158	46.4	860	—	12,298	43.4
Securities gains (losses)	(73,191)	(8,055)	(65,136)	N.M.	—	—	(65,136)	N.M.
Gains on sales of automobile loans	3,095	1,211	1,884	N.M.	—	—	1,884	N.M.
Other income	116,927	93,836	23,091	24.6	7,120	—	15,971	17.0
Sub-total before automobile operating lease income	517,954	499,267	18,687	3.7	23,920	—	(5,233)	(1.0)
Automobile operating lease income	43,115	133,015	(89,900)	(67.6)	—	—	(89,900)	(67.6)
Total non-interest income	\$ 561,069	\$ 632,282	\$ (71,213)	(11.3)%	\$ 23,920	\$ —	\$ (95,133)	(15.0)%
Personnel costs	\$ 541,228	\$ 481,658	\$ 59,570	12.4%	\$ 25,750	\$ 695	\$ 33,125	6.9%
Net occupancy	71,281	71,092	189	0.3	4,300	260	(4,371)	(6.1)
Outside data processing and other services	78,779	74,638	4,141	5.5	1,670	1,531	940	1.3
Equipment	69,912	63,124	6,788	10.8	1,720	45	5,023	8.0
Professional services	27,053	34,569	(7,516)	(21.7)	4,910	137	(12,563)	(36.3)
Marketing	31,728	26,279	5,449	20.7	890	734	3,825	14.6
Telecommunications	19,252	18,648	604	3.2	1,220	148	(764)	(4.1)
Printing and supplies	13,864	12,573	1,291	10.3	—	159	1,132	9.0
Amortization of intangibles	9,962	829	9,133	N.M.	9,134	—	(1)	(0.1)
Other expense	106,649	82,560	24,089	29.2	10,090	40	13,959	16.9
Sub-total before automobile operating lease expense	969,708	865,970	103,738	12.0	59,684	3,749	40,305	4.7
Automobile operating lease expense	31,286	103,850	(72,564)	(69.9)	—	—	(72,564)	(69.9)
Total non-interest expense	\$ 1,000,994	\$ 969,820	\$ 31,174	3.2%	\$ 59,684	\$ 3,749	\$ (32,259)	(3.3)%

Annualized data

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

Fully taxable equivalent interest income and net interest margin

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

Earnings per share equivalent data

Significant and/or one-time income or expense items may be expressed on a per common share basis. This is done for analytical and decision-making purposes to better discern underlying trends in total corporate earnings per share performance excluding the impact of such items. Investors may also find this information helpful in their evaluation of the company’s financial performance against published earnings per share mean estimate amounts, which typically exclude the impact of significant and/or one-time items. Earnings per share equivalents are usually calculated by applying a 35% effective tax rate to a pre-tax amount to derive an after-tax amount, which is divided by the average shares outstanding during the respective reporting period. Occasionally, when the item involves special tax treatment, the after-tax amount is separately disclosed, with this then being the amount used to calculate the earnings per share equivalent.

NM or nm

Percent changes of 100% or more are shown as “nm” or “not meaningful”. Such large percent changes typically reflect the impact of one-time items within the measured periods. Since the primary purpose of showing a percent change is for discerning underlying performance trends, such large percent changes are “not meaningful” for this purpose.

About Huntington

Huntington Bancshares Incorporated is a \$35 billion regional bank holding company headquartered in Columbus, Ohio. Through its affiliated companies, Huntington has more than 140 years of serving the financial needs of its customers. Huntington provides innovative retail and commercial financial products and services through over 380 regional banking offices in Indiana, Kentucky, Michigan, Ohio, and West Virginia. Huntington also offers retail and commercial financial services online at huntington.com; through its technologically advanced, 24-hour telephone bank; and through its network of nearly 1,000 ATMs. Selected financial service activities are also conducted in other states including: Dealer Sales offices in Arizona, Florida, Georgia, North Carolina, New Jersey, Pennsylvania, South Carolina, and Tennessee; Private Financial and Capital Markets Group offices in Florida; and Mortgage Banking offices in Florida, Maryland, and New Jersey. International banking services are made available through the headquarters office in Columbus and an office located in the Cayman Islands and an office located in Hong Kong.

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- 24 -

HUNTINGTON BANCSHARES INCORPORATED
Quarterly Key Statistics
(Unaudited)

<i>(in thousands, except per share amounts)</i>	2006			Percent Changes vs.	
	Fourth	Third	Fourth	3Q06	4Q05
Net interest income	\$ 257,989	\$ 255,313	\$ 243,676	1.0%	5.9%
Provision for credit losses	15,744	14,162	30,831	11.2	(48.9)
Non-interest income (1)	140,606	97,910	147,322	43.6	(4.6)
Non-interest expense	267,790	242,430	230,355	10.5	16.3
Income before income taxes	115,061	96,631	129,812	19.1	(11.4)
Provision (benefit) for income taxes (2)	27,346	(60,815)	29,239	N.M.	(6.5)
Net Income	\$ 87,715	\$ 157,446	\$ 100,573	(44.3)%	(12.8)%
Net income per common share - diluted	\$ 0.37	\$ 0.65	\$ 0.44	(43.1)%	(15.9)%
Cash dividends declared per common share	0.250	0.250	0.215	—	16.3
Book value per common share at end of period	12.80	13.15	11.41	(2.7)	12.2
Tangible book value per common share at end of period	10.12	10.50	10.44	(3.6)	(3.1)
Average common shares — basic	236,426	237,672	226,699	(0.5)	4.3
Average common shares — diluted	239,881	240,896	229,718	(0.4)	4.4
Return on average assets	0.98%	1.75%	1.22		
Return on average shareholders' equity	11.3	21.0	15.5		
Net interest margin (3)	3.28	3.22	3.34		
Efficiency ratio (4)	63.3	57.8	57.0		
Effective tax rate (2)	23.8	(62.9)	22.5		
Average loans and leases	\$ 26,300,262	\$ 26,313,060	\$ 24,468,233	—	7.5
Average loans and leases - linked quarter annualized growth rate	(0.2)%	1.7%	0.3		
Average earning assets	\$ 31,673,903	\$ 31,970,236	\$ 29,444,360	(0.9)	7.6
Average total assets	35,469,530	35,769,712	32,614,335	(0.8)	8.8
Average core deposits (5)	19,576,197	19,623,429	17,815,409	(0.2)	9.9
Average core deposits — linked quarter annualized growth rate (5)	(1.0)%	1.3%	5.0		
Average shareholders' equity	\$ 3,084,345	\$ 2,969,643	\$ 2,573,538	3.9	19.8
Total assets at end of period	35,329,019	35,661,948	32,764,805	(0.9)	7.8
Total shareholders' equity at end of period	3,014,326	3,129,746	2,557,501	(3.7)	17.9
Net charge-offs (NCOs)	22,969	21,239	17,568	8.1	30.7
NCOs as a % of average loans and leases	0.35%	0.32%	0.29		
Non-performing loans and leases (NPLs)	\$ 150,095	\$ 129,312	\$ 101,915	16.1	47.3
Non-performing assets (NPAs)	199,582	171,212	117,155	16.6	70.4
NPAs as a % of total loans and leases and other real estate (OREO)	0.76%	0.65%	0.48		
Allowance for loan and lease losses (ALLL) as a % of total loans and leases at the end of period	1.04	1.06	1.10		
ALLL plus allowance for unfunded loan commitments and letters of credit as a % of total loans and leases at the end of period	1.19	1.21	1.25		
ALLL as a % of NPLs	181	217	263		
ALLL as a % of NPAs	136	164	229		
Tier 1 risk-based capital ratio (6)	8.89	8.95	9.13		
Total risk-based capital ratio (6)	12.73	12.81	12.42		
Tier 1 leverage ratio (6)	8.00	7.99	8.34		
Average equity / assets	8.70	8.30	7.89		
Tangible equity / assets (7)	6.87	7.13	7.19		

(1) Includes \$57.5 million of securities impairment losses as of September 30, 2006.

(2) Includes an \$84.5 million benefit as of September 30, 2006, reflecting the resolution of a federal income tax audit of tax years 2002 and 2003.

(3) On a fully taxable equivalent (FTE) basis assuming a 35% tax rate.

(4) Non-interest expense less amortization of intangibles (\$3.0 million for 4Q 2006, \$2.9 million for 3Q 2006 and \$0.2 million for 4Q 2005) divided by the sum of FTE net interest income and non-interest income excluding securities gains (losses).

(5) Includes non-interest bearing and interest bearing demand deposits, savings and other domestic time deposits of \$100,000 or more, and core certificates of deposit.

(6) December 31, 2006 figures are estimated. The adoption of FAS 158 did not impact regulatory capital ratios at December 31, 2006.

(7) At end of period. Tangible equity (total equity less intangible assets) divided by tangible assets (total assets less intangible assets).

HUNTINGTON BANCSHARES INCORPORATED
Year To Date Key Statistics
(Unaudited)

<i>(in thousands, except per share amounts)</i>	Year Ended December 31,		Change	
	2006	2005	Amount	Percent
Net interest income	\$ 1,019,177	\$ 962,411	\$ 56,766	5.9%
Provision for credit losses	65,191	81,299	(16,108)	(19.8)
Non-interest income (1)	561,069	632,282	(71,213)	(11.3)
Non-interest expense	1,000,994	969,820	31,174	3.2
Income before income taxes	514,061	543,574	(29,513)	(5.4)
Provision for income taxes (2)	52,840	131,483	(78,643)	(59.8)
Net Income	\$ 461,221	\$ 412,091	\$ 49,130	11.9%
Net Income per common share — diluted	\$ 1.92	\$ 1.77	\$ 0.15	8.5%
Cash dividends declared per common share	1.000	0.845	0.16	18.3
Average common shares — basic	236,699	230,142	6,557	2.8
Average common shares — diluted	239,920	233,475	6,445	2.8
Return on average assets	1.31%	1.26%		
Return on average shareholders' equity	15.7	16.0		
Net interest margin (3)	3.29	3.33		
Efficiency ratio (4)	59.4	60.0		
Effective tax rate (2)	10.3	24.2		
Average loans and leases	\$ 25,943,554	\$ 24,309,768	\$ 1,633,786	6.7
Average earning assets	31,451,041	29,307,603	2,143,438	7.3
Average total assets	35,111,236	32,639,011	2,472,225	7.6
Average core deposits (5)	19,314,828	17,526,804	1,788,024	10.2
Average shareholders' equity	2,945,597	2,582,721	362,876	14.1
Net charge-offs (NCOs)	82,376	80,057	2,319	2.9
NCOs as a % of average loans and leases	0.32%	0.33%		

(1) Includes \$57.5 million of securities impairment losses as of September 30, 2006, due to the planned review of the securities portfolio.

(2) Includes an \$84.5 million benefit, at December 31, 2006, reflecting the resolution of a federal income tax audit of tax years 2002 and 2003.

(3) On a fully taxable equivalent (FTE) basis assuming a 35% tax rate.

(4) Non-interest expense less amortization of intangibles (\$10.0 million for 2006 and \$0.8 million for 2005) divided by the sum of FTE net interest income and non-interest income excluding securities gains (losses).

(5) Includes non-interest bearing and interest bearing demand deposits, savings and other domestic time deposits of \$100,000 or more, and core certificates of deposit.

HUNTINGTON BANCSHARES INCORPORATED
Quarterly Financial Review
December 2006
Table of Contents

Consolidated Balance Sheets	1
Credit Exposure Composition	2
Deposit Composition	3
Consolidated Quarterly Average Balance Sheets	4
Consolidated Quarterly Net Interest Margin Analysis	5
Quarterly Average Loans and Direct Financing Leases and Deposit Composition By Business Segment	6
Selected Quarterly Income Statement Data	7
Quarterly Mortgage Banking Income and Net Impact of MSR Hedging	8
Quarterly Credit Reserves Analysis	9
Quarterly Net Charge-Off Analysis	10
Quarterly Non-Performing Assets and Past Due Loans and Leases	11
Quarterly Stock Summary, Capital, and Other Data	12
Quarterly Automobile Operating Lease Performance	13
Consolidated Annual Average Balance Sheets	14
Consolidated Annual Net Interest Margin Analysis	15
Selected Annual Income Statement Data	16
Annual Mortgage Banking Income and Net Impact of MSR Hedging	17
Annual Credit Reserves Analysis	18
Annual Net Charge-Off Analysis	19
Annual Non-Performing Assets and Past Due Loans and Leases	20
Annual Automobile Operating Lease Performance	21

Note:

The preparation of financial statement data in conformity with accounting principals generally accepted in the United States requires management to make estimates and assumptions that affect amounts reported. Actual results could differ from those estimates. Certain prior period amounts have been reclassified to conform to the current period's presentation.

Huntington Bancshares Incorporated
Consolidated Balance Sheets

(in thousands, except number of shares)	2006		2005	Change December '06 vs '05	
	December 31, (Unaudited)	September 30, (Unaudited)	December 31,	Amount	Percent
Assets					
Cash and due from banks	\$ 1,080,163	\$ 848,088	\$ 966,445	\$ 113,718	11.8
Federal funds sold and securities purchased under resale agreements	440,584	370,418	74,331	366,253	N.M.
Interest bearing deposits in banks	74,168	59,333	22,391	51,777	N.M.
Trading account securities	36,056	122,621	8,619	27,437	N.M.
Loans held for sale	270,422	276,304	294,344	(23,922)	(8.1)
Investment securities	4,362,924	4,643,901	4,526,520	(163,596)	(3.6)
Loans and leases (1)	26,153,425	26,361,502	24,472,166	1,681,259	6.9
Allowance for loan and lease losses	(272,068)	(280,152)	(268,347)	(3,721)	1.4
Net loans and leases	25,881,357	26,081,350	24,203,819	1,677,538	6.9
Automobile operating lease assets	28,331	54,551	189,003	(160,672)	(85.0)
Bank owned life insurance	1,089,028	1,083,033	1,001,542	87,486	8.7
Premises and equipment	372,772	367,709	360,677	12,095	3.4
Goodwill	570,876	571,521	212,530	358,346	N.M.
Other intangible assets	59,487	61,239	4,956	54,531	N.M.
Accrued income and other assets	1,062,851	1,121,880	899,628	163,223	18.1
Total Assets	\$ 35,329,019	\$ 35,661,948	\$ 32,764,805	\$ 2,564,214	7.8
Liabilities and Shareholders' Equity					
Liabilities					
Deposits (2)	\$ 25,047,770	\$ 24,738,395	\$ 22,409,675	\$ 2,638,095	11.8
Short-term borrowings	1,676,189	1,532,504	1,889,260	(213,071)	(11.3)
Federal Home Loan Bank advances	996,821	1,221,669	1,155,647	(158,826)	(13.7)
Other long-term debt	2,229,140	2,592,188	2,418,419	(189,279)	(7.8)
Subordinated notes	1,286,657	1,275,883	1,023,371	263,286	25.7
Allowance for unfunded loan commitments and letters of credit	40,161	39,302	36,957	3,204	8.7
Deferred federal income tax liability	443,921	615,291	743,655	(299,734)	(40.3)
Accrued expenses and other liabilities	594,034	516,970	530,320	63,714	12.0
Total Liabilities	32,314,693	32,532,202	30,207,304	2,107,389	7.0
Shareholders' equity					
Preferred stock — authorized 6,617,808 shares; none outstanding	—	—	—	—	—
Common stock — without par value; authorized 500,000,000 shares; issued 257,866,255 shares; outstanding 235,474,366; 237,921,076 and 224,106,172 shares, respectively	2,560,569	2,556,168	2,491,326	69,243	2.8
Less 22,391,889; 19,945,179 and 33,760,083 treasury shares at cost, respectively	(506,946)	(445,359)	(693,576)	186,630	(26.9)
Accumulated other comprehensive loss	(55,066)	32,076	(22,093)	(32,973)	N.M.
Retained earnings	1,015,769	986,861	781,844	233,925	29.9
Total Shareholders' Equity	3,014,326	3,129,746	2,557,501	456,825	17.9
Total Liabilities and Shareholders' Equity	\$ 35,329,019	\$ 35,661,948	\$ 32,764,805	\$ 2,564,214	7.8

N.M., not a meaningful value.

(1) See page 2 for detail of loans and leases.

(2) See page 3 for detail of deposits.

Huntington Bancshares Incorporated
Credit Exposure Composition

<i>(in thousands)</i>	2006				2005		Change December '06 vs '05	
	December 31, <i>(Unaudited)</i>		September 30, <i>(Unaudited)</i>		December 31,		Amount	Percent
By Type								
Commercial:								
Middle market commercial and industrial	\$ 5,988,363	22.9%	\$ 5,751,178	21.8%	\$ 5,084,244	20.6%	\$ 904,119	17.8%
Middle market commercial real estate:								
Construction	986,508	3.8	1,148,036	4.3	1,521,897	6.2	(535,389)	(35.2)
Commercial	2,839,433	10.8	2,772,645	10.5	2,015,498	8.2	823,935	40.9
Middle market commercial real estate	3,825,941	14.6	3,920,681	14.8	3,537,395	14.4	288,546	8.2
Small business	2,540,148	9.6	2,535,940	9.6	2,223,740	9.1	316,408	14.2
Total commercial	12,354,452	47.1	12,207,799	46.2	10,845,379	44.1	1,509,073	13.9
Consumer:								
Automobile loans	2,125,821	8.1	2,105,623	8.0	1,985,304	8.1	140,517	7.1
Automobile leases	1,769,424	6.8	1,910,257	7.2	2,289,015	9.3	(519,591)	(22.7)
Home equity	4,926,900	18.8	5,019,101	19.0	4,762,743	19.3	164,157	3.4
Residential mortgage	4,548,918	17.4	4,678,577	17.7	4,193,139	17.0	355,779	8.5
Other loans	427,910	1.7	440,145	1.7	396,586	1.4	31,324	7.9
Total consumer	13,798,973	52.8	14,153,703	53.6	13,626,787	55.1	172,186	1.3
Total loans and direct financing leases	\$ 26,153,425	99.9	\$ 26,361,502	99.8	\$ 24,472,166	99.2	\$ 1,681,259	6.9
Automobile operating lease assets	28,331	0.1	54,551	0.2	189,003	0.8	(160,672)	(85.0)
Total credit exposure	\$ 26,181,756	100.0%	\$ 26,416,053	100.0%	\$ 24,661,169	100.0%	\$ 1,520,587	6.2%
Total automobile exposure (1)	\$ 3,923,576	15.0%	\$ 4,070,431	15.4%	\$ 4,463,322	18.1%	\$ (539,746)	(12.1)%
By Business Segment (2)								
Regional Banking:								
Central Ohio	\$ 3,570,157	13.6%	\$ 3,682,544	13.9%	\$ 3,150,394	12.8%	\$ 419,763	13.3%
Northern Ohio	2,619,465	10.0	2,656,635	10.1	2,522,854	10.2	96,611	3.8
Southern Ohio / Kentucky	2,196,779	8.4	2,185,979	8.3	2,037,190	8.3	159,589	7.8
Eastern Ohio	1,309,260	5.0	1,348,217	5.1	369,870	1.5	939,390	N.M.
West Michigan	2,421,117	9.2	2,443,495	9.3	2,363,162	9.6	57,955	2.5
East Michigan	1,636,901	6.3	1,609,932	6.1	1,573,413	6.4	63,488	4.0
West Virginia	1,107,222	4.2	1,086,757	4.1	970,953	3.9	136,269	14.0
Indiana	968,369	3.7	962,216	3.6	1,025,807	4.2	(57,438)	(5.6)
Mortgage and equipment leasing groups	3,571,054	13.7	3,611,416	13.6	3,493,460	14.1	77,594	2.2
Regional Banking	19,400,324	74.1	19,587,191	74.1	17,507,103	71.0	1,893,221	10.8
Dealer Sales(3)	4,937,095	18.9	5,011,186	19.0	5,429,998	22.0	(492,903)	(9.1)
Private Financial and Capital Markets Group	1,844,337	7.0	1,817,676	6.9	1,724,068	7.0	120,269	7.0
Treasury / Other	—	—	—	—	—	—	—	—
Total credit exposure	\$ 26,181,756	100.0%	\$ 26,416,053	100.0%	\$ 24,661,169	100.0%	\$ 1,520,587	6.2%

N.M., not a meaningful value.

(1) Sum of automobile loans and leases and automobile operating lease assets.

(2) Prior period amounts have been reclassified to conform to the current period business segment structure.

(3) Includes automobile operating lease inventory.

Huntington Bancshares Incorporated
Deposit Composition

<i>(in thousands)</i>	2006				2005		Change	
	December 31,		September 30,		December 31,		December '06 vs '05	
	<i>(Unaudited)</i>		<i>(Unaudited)</i>				Amount	Percent
By Type								
Demand deposits — non-interest bearing	\$ 3,615,745	14.4%	\$ 3,480,888	14.1%	\$ 3,390,044	15.1%	\$ 225,701	6.7%
Demand deposits — interest bearing	7,751,544	30.9	7,921,405	32.0	7,380,044	32.9	371,500	5.0
Savings and other domestic time deposits	2,986,287	11.9	3,011,268	12.2	3,094,136	13.8	(107,849)	(3.5)
Core certificates of deposit	5,364,610	21.4	5,313,473	21.5	3,988,474	17.8	1,376,136	34.5
Total core deposits	19,718,186	78.6	19,727,034	79.8	17,852,698	79.6	1,865,488	10.4
Other domestic time deposits of \$100,000 or more	1,191,984	4.8	1,259,719	5.1	886,493	4.0	305,491	34.5
Brokered deposits and negotiable CDs	3,345,943	13.4	3,183,489	12.9	3,199,796	14.3	146,147	4.6
Deposits in foreign offices	791,657	3.2	568,153	2.2	470,688	2.1	320,969	68.2
Total deposits	\$ 25,047,770	100.0%	\$ 24,738,395	100.0%	\$ 22,409,675	100.0%	\$ 2,638,095	11.8%
Total core deposits:								
Commercial	\$ 6,063,372	30.8%	\$ 6,214,462	31.5%	\$ 5,352,053	30.0%	\$ 711,319	13.3%
Personal	13,654,814	69.2	13,512,572	68.5	12,500,645	70.0	1,154,169	9.2
Total core deposits	\$ 19,718,186	100.0%	\$ 19,727,034	100.0%	\$ 17,852,698	100.0%	\$ 1,865,488	10.4%
By Business Segment (1)								
Regional Banking:								
Central Ohio	\$ 4,984,296	19.9%	\$ 4,884,052	19.7%	\$ 4,520,594	20.2%	\$ 463,702	10.3%
Northern Ohio	3,572,069	14.3	3,662,243	14.8	3,498,463	15.6	73,606	2.1
Southern Ohio / Kentucky	2,275,875	9.1	2,212,366	8.9	1,951,322	8.7	324,553	16.6
Eastern Ohio	1,716,499	6.9	1,738,913	7.0	577,912	2.6	1,138,587	N.M.
West Michigan	2,757,440	11.0	2,941,889	11.9	2,790,787	12.5	(33,347)	(1.2)
East Michigan	2,419,482	9.7	2,354,689	9.5	2,263,898	10.1	155,584	6.9
West Virginia	1,513,768	6.0	1,513,206	6.1	1,463,592	6.5	50,176	3.4
Indiana	819,278	3.3	847,824	3.4	728,193	3.2	91,085	12.5
Mortgage and equipment leasing groups	171,900	0.7	146,075	0.6	161,866	0.7	10,034	6.2
Regional Banking	20,230,607	80.8	20,301,257	82.1	17,956,627	80.1	2,273,980	12.7
Dealer Sales	58,885	0.2	58,918	0.2	65,237	0.3	(6,352)	(9.7)
Private Financial and Capital								
Markets Group	1,162,335	4.6	1,144,731	4.6	1,179,915	5.3	(17,580)	(1.5)
Treasury / Other (2)	3,595,943	14.4	3,233,489	13.1	3,207,896	14.3	388,047	12.1
Total deposits	\$ 25,047,770	100.0%	\$ 24,738,395	100.0%	\$ 22,409,675	100.0%	\$ 2,638,095	11.8%

N.M., not a meaningful value.

(1) Prior period amounts have been reclassified to conform to the current period business segment structure.

(2) Comprised largely of brokered deposits and negotiable CDs.

Huntington Bancshares Incorporated
Consolidated Quarterly Average Balance Sheets
(Unaudited)

Fully taxable equivalent basis (in millions)	Average Balances					Change 4Q06 vs 4Q05	
	2006					2005	
	Fourth	Third	Second	First	Fourth	Amount	Percent
Assets							
Interest bearing deposits in banks	\$ 77	\$ 75	\$ 36	\$ 24	\$ 51	\$ 26	51.0%
Trading account securities	116	96	100	66	119	(3)	(2.5)
Federal funds sold and securities purchased under resale agreements	531	266	285	201	103	428	N.M.
Loans held for sale	265	275	287	274	361	(96)	(26.6)
Investment securities:							
Taxable	3,792	4,364	4,494	4,138	3,802	(10)	(0.3)
Tax-exempt	594	581	556	548	540	54	10.0
Total investment securities	4,386	4,945	5,050	4,686	4,342	44	1.0
Loans and leases: (1)							
Commercial: (2)							
Middle market commercial and industrial	5,831	5,591	5,458	5,132	4,946	885	17.9
Middle market commercial real estate:							
Construction	1,077	1,122	1,243	1,454	1,675	(598)	(35.7)
Commercial	2,861	2,795	2,799	2,423	1,923	938	48.8
Middle market commercial real estate	3,938	3,917	4,042	3,877	3,598	340	9.4
Small business	2,543	2,531	2,456	2,121	2,230	313	14.0
Total commercial	12,312	12,039	11,956	11,130	10,774	1,538	14.3
Consumer:							
Automobile loans	2,111	2,079	2,044	1,994	2,018	93	4.6
Automobile leases	1,838	1,976	2,095	2,221	2,337	(499)	(21.4)
Automobile loans and leases	3,949	4,055	4,139	4,215	4,355	(406)	(9.3)
Home equity	4,973	5,041	5,029	4,833	4,781	192	4.0
Residential mortgage	4,635	4,748	4,629	4,306	4,165	470	11.3
Other loans	430	430	448	447	393	37	9.4
Total consumer	13,987	14,274	14,245	13,801	13,694	293	2.1
Total loans and leases	26,299	26,313	26,201	24,931	24,468	1,831	7.5
Allowance for loan and lease losses	(282)	(291)	(293)	(283)	(262)	(20)	(7.6)
Net loans and leases	26,017	26,022	25,908	24,648	24,206	1,811	7.5
Total earning assets	31,674	31,970	31,959	30,182	29,444	2,230	7.6
Automobile operating lease assets	40	68	105	159	216	(176)	(81.5)
Cash and due from banks	830	823	832	813	742	88	11.9
Intangible assets	631	634	638	362	218	413	N.M.
All other assets	2,577	2,565	2,449	2,256	2,256	321	14.2
Total Assets	\$ 35,470	\$ 35,769	\$ 35,690	\$ 33,489	\$ 32,614	\$ 2,856	8.8%
Liabilities and Shareholders' Equity							
Deposits:							
Demand deposits — non- interest bearing	\$ 3,580	\$ 3,509	\$ 3,594	\$ 3,436	\$ 3,444	\$ 136	3.9%
Demand deposits — interest bearing	7,767	7,858	7,778	7,562	7,496	271	3.6
Savings and other domestic time deposits	2,849	2,923	3,106	3,095	2,984	(135)	(4.5)
Core certificates of deposit	5,380	5,334	5,083	4,389	3,891	1,489	38.3
Total core deposits	19,576	19,624	19,561	18,482	17,815	1,761	9.9
Other domestic time deposits of \$100,000 or more	1,282	1,141	1,086	938	927	355	38.3
Brokered deposits and negotiable CDs	3,252	3,307	3,263	3,143	3,210	42	1.3
Deposits in foreign offices	598	521	474	465	490	108	22.0
Total deposits	24,708	24,593	24,384	23,028	22,442	2,266	10.1
Short-term borrowings	1,832	1,660	2,042	1,669	1,472	360	24.5
Federal Home Loan Bank advances	1,121	1,349	1,557	1,453	1,156	(35)	(3.0)
Subordinated notes and other long- term debt	3,583	3,921	3,428	3,346	3,687	(104)	(2.8)
Total interest bearing liabilities	27,664	28,014	27,817	26,060	25,313	2,351	9.3
All other liabilities	1,142	1,276	1,284	1,264	1,283	(141)	(11.0)
Shareholders' equity	3,084	2,970	2,995	2,729	2,574	510	19.8
Total Liabilities and Shareholders' Equity	\$ 35,470	\$ 35,769	\$ 35,690	\$ 33,489	\$ 32,614	\$ 2,856	8.8%

(1) For purposes of this analysis, non-accrual loans are reflected in the average balances of loans.

(2) The middle market C&I and CRE loan balances in the first quarter of 2006 contain Unizan loan balances that were subject to reclassification when these loans were converted to Huntington's loan systems.

Huntington Bancshares Incorporated
Consolidated Quarterly Net Interest Margin Analysis
(Unaudited)

Fully taxable equivalent basis (1)	Average Rates (2)				2005
	2006	2006	2006	2006	2005
	Fourth	Third	Second	First	Fourth
Assets					
Interest bearing deposits in banks	5.50%	5.23%	7.05%	7.89%	3.20%
Trading account securities	4.10	4.32	4.51	2.94	4.53
Federal funds sold and securities purchased under resale agreements	5.35	5.13	4.75	4.30	3.78
Loans held for sale	6.01	6.24	6.23	5.92	5.68
Investment securities:					
Taxable	6.05	5.49	5.34	5.04	4.70
Tax-exempt	6.68	6.80	6.83	6.71	6.77
Total investment securities	6.13	5.64	5.51	5.23	4.96
Loans and leases: (3)					
Commercial:					
Middle market commercial and industrial	7.50	7.35	7.26	6.80	6.28
Middle market commercial real estate:					
Construction	8.44	8.48	8.01	7.55	7.27
Commercial	7.57	7.87	7.26	6.78	6.46
Middle market commercial real estate	7.81	8.05	7.49	7.07	6.84
Small business	7.30	7.27	7.10	6.67	6.43
Total commercial	7.56	7.56	7.30	6.87	6.50
Consumer:					
Automobile loans	6.75	6.62	6.48	6.40	6.26
Automobile leases	5.21	5.10	5.01	4.97	4.98
Automobile loans and leases	6.03	5.88	5.74	5.65	5.57
Home equity	7.75	7.62	7.46	6.88	6.82
Residential mortgage	5.55	5.46	5.39	5.34	5.31
Other loans	9.28	9.41	9.21	8.38	8.13
Total consumer	6.58	6.46	6.35	6.08	6.00
Total loans and leases	7.04	6.96	6.79	6.43	6.22
Total earning assets	6.86%	6.73%	6.55%	6.21%	6.01%
Liabilities and Shareholders' Equity					
Deposits:					
Demand deposits — non-interest bearing	—%	—%	—%	—%	—%
Demand deposits — interest bearing	2.97	2.92	2.62	2.44	2.12
Savings and other domestic time deposits	1.90	1.75	1.59	1.49	1.44
Core certificates of deposit	4.58	4.40	4.10	3.84	3.70
Total core deposits	3.32	3.20	2.89	2.65	2.41
Other domestic time deposits of \$100,000 or more	5.29	5.18	4.83	4.55	3.98
Brokered deposits and negotiable CDs	5.53	5.50	5.12	4.69	4.20
Deposits in foreign offices	3.18	3.12	2.68	2.62	2.66
Total deposits	3.78	3.66	3.34	3.07	2.79
Short-term borrowings	4.21	4.10	4.12	3.57	3.11
Federal Home Loan Bank advances	4.50	4.51	4.34	3.99	3.37
Subordinated notes and other long-term debt	5.96	5.75	5.67	5.22	4.72
Total interest bearing liabilities	4.12%	4.02%	3.74%	3.43%	3.12%
Net interest rate spread	2.74%	2.71%	2.81%	2.78%	2.89%
Impact of non-interest bearing funds on margin	0.54	0.51	0.53	0.54	0.45
Net interest margin	3.28%	3.22%	3.34%	3.32%	3.34%

(1) Fully taxable equivalent (FTE) yields are calculated assuming a 35% tax rate. See page 7 for the FTE adjustment.

(2) Loan, lease, and deposit average rates include impact of applicable derivatives and non-deferrable fees.

(3) For purposes of this analysis, non-accrual loans are reflected in the average balances of loans.

Huntington Bancshares Incorporated
Quarterly Average Loans and Direct Financing Leases
and Deposit Composition By Business Segment
(Unaudited)

<i>(in millions)</i>	Average Balances					Change	
	2006			2005		4Q06 vs 4Q05	
	Fourth	Third	Second	First	Fourth	Amount	Percent
Loans and direct financing leases (1)							
Regional Banking:							
Central Ohio	\$ 3,641	\$ 3,646	\$ 3,579	\$ 3,191	\$ 3,228	\$ 413	12.8%
Northern Ohio	2,648	2,666	2,615	2,520	2,546	102	4.0
Southern Ohio / Kentucky	2,176	2,196	2,193	2,092	2,064	112	5.4
Eastern Ohio	1,325	1,397	1,487	872	372	953	N.M.
West Michigan	2,439	2,408	2,386	2,362	2,382	57	2.4
East Michigan	1,617	1,592	1,565	1,551	1,536	81	5.3
West Virginia	1,098	1,068	1,013	966	963	135	14.0
Indiana	996	950	977	1,018	972	24	2.5
Mortgage and equipment leasing groups	3,595	3,598	3,495	3,458	3,461	134	3.9
Regional Banking	19,535	19,521	19,310	18,030	17,524	2,011	11.5
Dealer Sales	4,915	4,972	5,134	5,183	5,225	(310)	(5.9)
Private Financial and Capital Markets							
Group	1,849	1,820	1,757	1,718	1,719	130	7.6
Treasury / Other	—	—	—	—	—	—	—
Total loans and direct financing leases	\$ 26,299	\$ 26,313	\$ 26,201	\$ 24,931	\$ 24,468	\$ 1,831	7.5%
Deposit composition (1)							
Regional Banking:							
Central Ohio	\$ 4,804	\$ 4,778	\$ 4,810	\$ 4,602	\$ 4,498	\$ 306	6.8%
Northern Ohio	3,597	3,619	3,539	3,603	3,546	51	1.4
Southern Ohio / Kentucky	2,229	2,193	2,244	2,058	1,938	291	15.0
Eastern Ohio	1,733	1,750	1,758	989	585	1,148	N.M.
West Michigan	2,819	2,901	2,805	2,791	2,774	45	1.6
East Michigan	2,370	2,311	2,253	2,255	2,287	83	3.6
West Virginia	1,519	1,498	1,497	1,471	1,428	91	6.4
Indiana	922	825	822	746	743	179	24.1
Mortgage and equipment leasing groups	195	183	189	162	202	(7)	(3.5)
Regional Banking	20,188	20,058	19,917	18,677	18,001	2,187	12.1
Dealer Sales	56	58	56	58	63	(7)	(11.1)
Private Financial and Capital Markets							
Group	1,170	1,142	1,144	1,150	1,161	9	0.8
Treasury / Other	3,294	3,335	3,267	3,143	3,217	77	2.4
Total deposits	\$ 24,708	\$ 24,593	\$ 24,384	\$ 23,028	\$ 22,442	\$ 2,266	10.1%

(1) Prior period amounts have been reclassified to conform to the current period business segment structure.

Huntington Bancshares Incorporated
Selected Quarterly Income Statement Data
(Unaudited)

<i>(in thousands, except per share amounts)</i>	2006				2005	4Q06 vs 4Q05	
	Fourth	Third	Second	First	Fourth	Amount	Percent
Interest income	\$ 544,841	\$ 538,988	\$ 521,903	\$ 464,787	\$ 442,476	\$ 102,365	23.1%
Interest expense	286,852	283,675	259,708	221,107	198,800	88,052	44.3
Net interest income	257,989	255,313	262,195	243,680	243,676	14,313	5.9
Provision for credit losses	15,744	14,162	15,745	19,540	30,831	(15,087)	(48.9)
Net interest income after provision for credit losses	242,245	241,151	246,450	224,140	212,845	29,400	13.8
Service charges on deposit accounts	48,548	48,718	47,225	41,222	42,083	6,465	15.4
Trust services	23,511	22,490	22,676	21,278	20,425	3,086	15.1
Brokerage and insurance income	14,600	14,697	14,345	15,193	13,101	1,499	11.4
Other service charges and fees	13,784	12,989	13,072	11,509	11,488	2,296	20.0
Bank owned life insurance income	10,804	12,125	10,604	10,242	10,389	415	4.0
Mortgage banking income	6,169	8,512	13,616	13,194	8,818	(2,649)	(30.0)
Gains on sales of automobile loans	1,252	863	532	448	455	797	N.M.
Securities (losses) gains (1)	(15,804)	(57,332)	(35)	(20)	(8,770)	(7,034)	80.2
Other income	32,398	26,268	28,841	29,420	26,799	5,599	20.9
Sub-total before operating lease income	135,262	89,330	150,876	142,486	124,788	10,474	8.4
Automobile operating lease income	5,344	8,580	12,143	17,048	22,534	(17,190)	(76.3)
Total non-interest income	140,606	97,910	163,019	159,534	147,322	(6,716)	(4.6)
Personnel costs	137,944	133,823	137,904	131,557	116,111	21,833	18.8
Outside data processing and other services	20,695	18,664	19,569	19,851	19,693	1,002	5.1
Net occupancy	17,279	18,109	17,927	17,966	17,940	(661)	(3.7)
Equipment	18,151	17,249	18,009	16,503	16,093	2,058	12.8
Marketing	6,207	7,846	10,374	7,301	7,145	(938)	(13.1)
Professional services	8,958	6,438	6,292	5,365	7,440	1,518	20.4
Telecommunications	4,619	4,818	4,990	4,825	4,453	166	3.7
Printing and supplies	3,610	3,416	3,764	3,074	3,084	526	17.1
Amortization of intangibles	2,993	2,902	2,992	1,075	218	2,775	N.M.
Other expense	43,365	23,177	21,880	18,227	20,995	22,370	N.M.
Sub-total before operating lease expense	263,821	236,442	243,701	225,744	213,172	50,649	23.8
Automobile operating lease expense	3,969	5,988	8,658	12,671	17,183	(13,214)	(76.9)
Total non-interest expense	267,790	242,430	252,359	238,415	230,355	37,435	16.3
Income before income taxes	115,061	96,631	157,110	145,259	129,812	(14,751)	(11.4)
Provision (benefit) for income taxes (2)	27,346	(60,815)	45,506	40,803	29,239	(1,893)	(6.5)
Net income	\$ 87,715	\$ 157,446	\$ 111,604	\$ 104,456	\$ 100,573	\$ (12,858)	(12.8)%
Average common shares — diluted	239,881	240,896	244,538	234,363	229,718	10,163	4.4%
Per common share							
Net income — diluted	\$ 0.37	\$ 0.65	\$ 0.46	\$ 0.45	\$ 0.44	\$ (0.07)	(15.9)
Cash dividends declared	0.250	0.250	0.250	0.250	0.215	0.035	16.3
Return on average total assets	0.98%	1.75%	1.25%	1.26%	1.22	(0.24)%	(19.7)
Return on average total shareholders' equity	11.3	21.0	14.9	15.5	15.5	(4.2)	(27.1)
Net interest margin (3)	3.28	3.22	3.34	3.32	3.34	(0.06)	(1.8)
Efficiency ratio (4)	63.3	57.8	58.1	58.3	57.0	6.3	11.1
Effective tax rate	23.8	(62.9)	29.0	28.1	22.5	1.3	5.8
Revenue — fully taxable equivalent (FTE)							
Net interest income	\$ 257,989	\$ 255,313	\$ 262,195	\$ 243,680	\$ 243,676	\$ 14,313	5.9
FTE adjustment	4,115	4,090	3,984	3,836	3,837	278	7.2
Net interest income (3)	262,104	259,403	266,179	247,516	247,513	14,591	5.9
Non-interest income	140,606	97,910	163,019	159,534	147,322	(6,716)	(4.6)
Total revenue (3)	\$ 402,710	\$ 357,313	\$ 429,198	\$ 407,050	\$ 394,835	\$ 7,875	2.0%

N.M., not a meaningful value.

(1) Includes \$57.5 million of securities impairment losses as of September 30, 2006.

(2) Includes an \$84.5 million benefit at September 30, 2006, reflecting the resolution of a federal income tax audit of tax years 2002 and 2003.

(3) On a fully taxable equivalent (FTE) basis assuming a 35% tax rate.

(4) Non-interest expense less amortization of intangibles divided by the sum of FTE net interest income and non-interest income excluding securities gains (losses).

Huntington Bancshares Incorporated
Quarterly Mortgage Banking Income and Net Impact of MSR Hedging
(Unaudited)

<i>(in thousands)</i>	2006				2005	4Q06 vs 4Q05	
	Fourth	Third	Second	First	Fourth	Amount	Percent
Mortgage Banking Income							
Origination fees	\$ 1,830	\$ 2,036	\$ 2,177	\$ 1,977	\$ 1,979	\$ (149)	(7.5)%
Secondary marketing	2,227	1,034	4,914	2,022	3,346	(1,119)	(33.4)
Servicing fees	6,662	6,077	5,995	5,925	5,791	871	15.0
Amortization of capitalized servicing ⁽¹⁾	(3,835)	(4,484)	(3,293)	(3,532)	(3,785)	(50)	(1.3)
Other mortgage banking income	1,778	3,887	2,281	2,227	3,193	(1,415)	(44.3)
Sub-total	8,662	8,550	12,074	8,619	10,524	(1,862)	(17.7)
MSR valuation adjustment ^{(1), (2)}	(1,907)	(10,716)	8,281	9,213	385	(2,292)	N.M.
Net trading (losses) gains related to MSR hedging	(586)	10,678	(6,739)	(4,638)	(2,091)	1,505	(72.0)
Total mortgage banking income (loss)	\$ 6,169	\$ 8,512	\$ 13,616	\$ 13,194	\$ 8,818	\$ (2,649)	(30.0)%
Capitalized mortgage servicing rights ⁽³⁾	\$ 131,104	\$ 129,317	\$ 136,244	\$ 123,257	\$ 91,259	\$ 39,845	43.7%
MSR allowance ⁽³⁾	—	—	—	—	(404)	404	N.M.
Total mortgages serviced for others ⁽³⁾	8,252,000	7,994,000	7,725,000	7,585,000	7,276,000	976,000	13.4
MSR % of investor servicing portfolio	1.59%	1.62%	1.76%	1.63%	1.25%	0.34%	27.2

N.M., not a meaningful value.

(1) The change in fair value for the period represents the MSR valuation adjustment, net of amortization of capitalized servicing.

(2) The first quarter of 2006 and subsequent quarters reflect the adoption of SFAS 156, under which MSRs are recorded and accounted for at fair value. Prior periods reflect temporary impairment or recovery, based on accounting for MSRs at the lower of cost or market.

(3) At period end.

Huntington Bancshares Incorporated
Quarterly Credit Reserves Analysis
(Unaudited)

<i>(in thousands)</i>	2006				2005
	Fourth	Third	Second	First	Fourth
Allowance for loan and lease losses, beginning of period	\$ 280,152	\$ 287,517	\$ 283,839	\$ 268,347	\$ 253,943
Acquired allowance for loan and lease losses	—	100 ⁽¹⁾	1,498 ⁽¹⁾	22,187	—
Loan and lease losses	(32,835)	(29,127)	(24,325)	(33,405)	(27,072)
Recoveries of loans previously charged off	9,866	7,888	10,373	9,189	9,504
Net loan and lease losses	(22,969)	(21,239)	(13,952)	(24,216)	(17,568)
Provision for loan and lease losses	14,885	13,774	16,132	17,521	31,972
Allowance for loan and lease losses, end of period	\$ 272,068	\$ 280,152	\$ 287,517	\$ 283,839	\$ 268,347
Allowance for unfunded loan commitments and letters of credit, beginning of period	\$ 39,302	\$ 38,914	\$ 39,301	\$ 36,957	\$ 38,098
Acquired AULC	—	—	—	325	—
Provision for unfunded loan commitments and letters of credit losses	859	388	(387)	2,019	(1,141)
Allowance for unfunded loan commitments and letters of credit, end of period	\$ 40,161	\$ 39,302	\$ 38,914	\$ 39,301	\$ 36,957
Total allowances for credit losses	\$ 312,229	\$ 319,454	\$ 326,431	\$ 323,140	\$ 305,304
Allowance for loan and lease losses (ALLL) as % of:					
Transaction reserve	0.86%	0.86%	0.89%	0.88%	0.89%
Economic reserve	0.18	0.20	0.20	0.21	0.21
Total loans and leases	1.04%	1.06%	1.09%	1.09%	1.10%
Non-performing loans and leases (NPLs)	181	217	213	209	263
Non-performing assets (NPAs)	136	164	168	183	229
Total allowances for credit losses (ACL) as % of:					
Total loans and leases	1.19%	1.21%	1.24%	1.24%	1.25%
Non-performing loans and leases	208	247	241	238	300
Non-performing assets	156	187	191	209	261

(1) Represents an adjustment of the allowance and corresponding adjustment to loan balances resulting from the Unizan merger.

Huntington Bancshares Incorporated
Quarterly Net Charge-Off Analysis
(Unaudited)

<i>(in thousands)</i>	2006				2005
	Fourth	Third	Second	First	Fourth
Net charge-offs (recoveries) by loan and lease type:					
Commercial:					
Middle market commercial and industrial	\$ (1,827)	\$ 1,742	\$ (484)	\$ 6,887	\$ (744)
Middle market commercial real estate:					
Construction	3,957	(2)	(161)	(241)	(175)
Commercial	144	644	1,557	210	14
Middle market commercial real estate	4,101	642	1,396	(31)	(161)
Small business	4,535	4,451	2,530	3,709	4,465
Total commercial	6,809	6,835	3,442	10,565	3,560
Consumer:					
Automobile loans	2,422	1,759	1,172	2,977	3,213
Automobile leases	2,866	2,306	1,758	3,515	3,422
Automobile loans and leases	5,288	4,065	2,930	6,492	6,635
Home equity	5,820	6,734	4,776	4,524	4,498
Residential mortgage	2,226	876	688	715	941
Other loans	2,826	2,729	2,116	1,920	1,934
Total consumer	16,160	14,404	10,510	13,651	14,008
Total net charge-offs	\$ 22,969	\$ 21,239	\$ 13,952	\$ 24,216	\$ 17,568
Net charge-offs (recoveries) — annualized percentages:					
Commercial:					
Middle market commercial and industrial	(0.13)%	0.12%	(0.04)%	0.54%	(0.06)%
Middle market commercial real estate:					
Construction	1.47	—	(0.05)	(0.07)	(0.04)
Commercial	0.02	0.09	0.22	0.03	—
Middle market commercial real estate	0.42	0.07	0.14	—	(0.02)
Small business	0.71	0.70	0.41	0.70	0.80
Total commercial	0.22	0.23	0.12	0.38	0.13
Consumer:					
Automobile loans	0.46	0.34	0.23	0.60	0.64
Automobile leases	0.62	0.47	0.34	0.63	0.59
Automobile loans and leases	0.54	0.40	0.28	0.62	0.61
Home equity	0.47	0.53	0.38	0.37	0.38
Residential mortgage	0.19	0.07	0.06	0.07	0.09
Other loans	2.63	2.54	1.89	1.72	1.97
Total consumer	0.46	0.40	0.30	0.40	0.41
Net charge-offs as a % of average loans	0.35%	0.32%	0.21%	0.39%	0.29%

Huntington Bancshares Incorporated
Quarterly Non-Performing Assets and Past Due Loans and Leases
(Unaudited)

<i>(in thousands)</i>	2006				2005
	December 31,	September 30,	June 30,	March 31,	December 31,
Non-accrual loans and leases:					
Middle market commercial and industrial	\$ 35,657	\$ 37,082	\$ 45,713	\$ 45,723	\$ 28,888
Middle market commercial real estate	34,831	27,538	24,970	18,243	15,763
Small business	25,852	21,356	27,328	28,389	28,931
Residential mortgage	38,489	30,289	22,786	29,376	17,613
Home equity	15,266	13,047	14,466	13,778	10,720
Total non-performing loans and leases	150,095	129,312	135,263	135,509	101,915
Other real estate, net:					
Residential	47,898	40,615	34,743	17,481	14,214
Commercial	1,589	1,285	1,062	1,903	1,026
Total other real estate, net	49,487	41,900	35,805	19,384	15,240
Total non-performing assets	\$ 199,582	\$ 171,212	\$ 171,068	\$ 154,893	\$ 117,155
Non-performing assets guaranteed by the U.S. government ⁽¹⁾	\$ 33,858	\$ 33,676	\$ 30,710	\$ 18,256	\$ 7,324
Non-performing loans and leases as a % of total loans and leases	0.57%	0.49%	0.51%	0.52%	0.42%
Non-performing assets as a % of total loans and leases and other real estate	0.76	0.65	0.65	0.59	0.48
Accruing loans and leases past due 90 days or more ⁽¹⁾	\$ 59,114	\$ 62,054	\$ 48,829	\$ 52,297	\$ 56,138
Accruing loans and leases past due 90 days or more as a percent of total loans and leases	0.23%	0.24%	0.19%	0.20%	0.23%

<i>(in thousands)</i>	2006				2005
	Fourth	Third	Second	First	Fourth
Non-performing assets, beginning of period	\$ 171,212	\$ 171,068	\$ 154,893	\$ 117,155	\$ 101,800
New non-performing assets ⁽¹⁾	66,249	55,490	52,498	53,768	52,553
Acquired non-performing assets	—	—	—	33,843	—
Returns to accruing status	(5,666)	(11,880)	(12,143)	(14,310)	(3,228)
Loan and lease losses	(11,908)	(14,143)	(6,826)	(13,314)	(9,063)
Payments	(16,673)	(16,709)	(12,892)	(13,195)	(21,329)
Sales	(3,632)	(12,614)	(4,462)	(9,054)	(3,578)
Non-performing assets, end of period	\$ 199,582	\$ 171,212	\$ 171,068	\$ 154,893	\$ 117,155

(1) Beginning in the second quarter of 2006, OREO includes balances of foreclosures on loans serviced for GNMA, which are fully guaranteed by the US Government, that were reported in 90 day past due loans and leases in prior periods.

Huntington Bancshares Incorporated
Quarterly Stock Summary, Capital, and Other Data
(Unaudited)

Quarterly common stock summary

<i>(in thousands, except per share amounts)</i>	2006				2005
	Fourth	Third	Second	First	Fourth
Common stock price, per share					
High (1)	\$ 24.970	\$ 24.820	\$ 24.410	\$ 24.750	\$ 24.640
Low (1)	22.870	23.000	23.120	22.560	20.970
Close	23.750	23.930	23.580	24.130	23.750
Average closing price	24.315	23.942	23.732	23.649	23.369
Dividends, per share					
Cash dividends declared on common stock	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.215
Common shares outstanding					
Average — basic	236,426	237,672	241,729	230,968	226,699
Average — diluted	239,881	240,896	244,538	234,363	229,718
Ending	235,474	237,921	237,361	245,183	224,106
Book value per share	\$ 12.80	\$ 13.15	\$ 12.38	\$ 12.56	\$ 11.41
Tangible book value per share	10.12	10.50	9.70	9.95	10.44

Common share repurchases

Number of shares repurchased	3,050	—	8,100	4,831	5,175
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Capital adequacy

<i>(in millions)</i>	2006				2005
	December 31,	September 30,	June 30,	March 31,	December 31,
Total risk-weighted assets (2)	\$ 31,332	\$ 31,330	\$ 31,614	\$ 31,298	\$ 29,599
Tier 1 leverage ratio (2)	8.00%	7.99%	7.62%	8.53%	8.34%
Tier 1 risk-based capital ratio (2)	8.89	8.95	8.45	8.94	9.13
Total risk-based capital ratio (2)	12.73	12.81	12.29	12.91	12.42
Tangible equity / asset ratio	6.87	7.13	6.46	6.97	7.19
Tangible equity / risk-weighted assets ratio (2)	7.61	7.97	7.29	7.80	7.91
Average equity / average assets	8.70	8.30	8.39	8.15	7.89

Other data

Number of employees (full-time equivalent)	8,081	8,077	8,075	8,078	7,602
Number of domestic full-service banking offices (3)	381	381	379	385	344

(1) High and low stock prices are intra-day quotes obtained from NASDAQ.

(2) December 31, 2006 figures are estimated. The adoption of FAS 158 did not impact regulatory capital ratios at December 31, 2006.

(3) Includes Private Financial Group offices in Florida.

Huntington Bancshares Incorporated
Quarterly Automobile Operating Lease Performance
(Unaudited)

<i>(in thousands)</i>	2006				2005	4Q06 vs 4Q05	
	Fourth	Third	Second	First	Fourth	Amount	Percent
Balance Sheet:							
Average automobile operating lease assets outstanding	<u>\$40,145</u>	\$68,223	\$104,585	\$159,073	<u>\$215,976</u>	<u>\$(175,831)</u>	<u>(81.4)%</u>
Income Statement:							
Net rental income	\$ 4,403	\$ 7,258	\$ 10,678	\$ 15,173	\$ 19,866	\$ (15,463)	(77.8)%
Fees	219	401	669	732	1,482	(1,263)	(85.2)
Recoveries — early terminations	722	921	796	1,143	1,186	(464)	(39.1)
Total automobile operating lease income	<u>5,344</u>	8,580	12,143	17,048	22,534	(17,190)	(76.3)
Depreciation and residual losses at termination	3,513	5,494	8,083	11,501	15,680	(12,167)	(77.6)
Losses — early terminations	456	494	575	1,170	1,503	(1,047)	(69.7)
Total automobile operating lease expense	<u>3,969</u>	5,988	8,658	12,671	17,183	(13,214)	(76.9)
Net earnings contribution	<u>\$ 1,375</u>	\$ 2,592	\$ 3,485	\$ 4,377	<u>\$ 5,351</u>	<u>\$ (3,976)</u>	<u>(74.3)%</u>

Definition of term(s):

Net rental income includes the lease payments earned on the vehicles that Huntington leases to its customers under operating leases. Fees include late fees, early payment fees and other non-origination fees. Recoveries represent payments received on a cash basis subsequent to a customer's default on an operating lease and a recognition of an impairment loss on the lease. Depreciation represents the periodic depreciation of vehicles to their residual value owned by Huntington under operating leases and any accelerated depreciation where Huntington expects to receive less than the residual value from the sale of the vehicle and from insurance proceeds at the end of the lease term. Losses represent impairments recognized on vehicles where the lessee has defaulted on the operating lease.

Huntington Bancshares Incorporated
Consolidated Annual Average Balance Sheets
(Unaudited)

Fully taxable equivalent basis (in millions)	Annual Average Balances								
	2006	Change from 2005		2005	Change from 2004		2004	2003	2002
		Amount	%		Amount	%			
Assets									
Interest bearing deposits in banks	\$ 53	\$ —	—%	\$ 53	\$ (13)	(19.7)%	\$ 66	\$ 37	\$ 33
Trading account securities	92	(115)	(55.6)	207	102	97.1	105	14	7
Federal funds sold and securities purchased under resale agreements	321	59	22.5	262	(57)	(17.9)	319	87	72
Loans held for sale	275	(43)	(13.5)	318	75	30.9	243	564	322
Investment securities:									
Taxable	4,197	514	14.0	3,683	(742)	(16.8)	4,425	3,533	2,859
Tax-exempt	570	95	20.0	475	63	15.3	412	334	135
Total investment securities	4,767	609	14.6	4,158	(679)	(14.0)	4,837	3,867	2,994
Loans and leases: (1) (2)									
Commercial:									
Middle market commercial and industrial	5,501	684	14.2	4,817	361	8.1	4,456	4,633	4,810
Middle market commercial real estate:									
Construction	1,223	(455)	(27.1)	1,678	258	18.2	1,420	1,219	1,151
Commercial	2,727	819	42.9	1,908	(14)	(0.7)	1,922	1,800	1,670
Middle market commercial real estate	3,950	364	10.2	3,586	244	7.3	3,342	3,019	2,821
Small business	2,414	190	8.5	2,224	221	11.0	2,003	1,787	1,642
Total commercial	11,865	1,238	11.7	10,627	826	8.4	9,801	9,439	9,273
Consumer:									
Automobile loans	2,057	14	0.7	2,043	(242)	(10.6)	2,285	3,260	2,744
Automobile leases	2,031	(391)	(16.1)	2,422	230	10.5	2,192	1,423	452
Automobile loans and leases	4,088	(377)	(8.4)	4,465	(12)	(0.3)	4,477	4,683	3,196
Home equity	4,970	218	4.6	4,752	508	12.0	4,244	3,400	2,976
Residential mortgage	4,581	500	12.3	4,081	869	27.1	3,212	2,076	1,438
Other loans	439	54	14.0	385	(8)	(2.0)	393	426	534
Total consumer	14,078	395	2.9	13,683	1,357	11.0	12,326	10,585	8,144
Total loans and leases	25,943	1,633	6.7	24,310	2,183	9.9	22,127	20,024	17,417
Allowance for loan and lease losses	(287)	(19)	(7.1)	(268)	30	10.1	(298)	(330)	(344)
Net loans and leases	25,656	1,614	6.7	24,042	2,213	10.1	21,829	19,694	17,073
Total earning assets	31,451	2,143	7.3	29,308	1,611	5.8	27,697	24,593	20,845
Automobile operating lease assets	93	(258)	(73.5)	351	(540)	(60.6)	891	1,697	2,602
Cash and due from banks	825	(20)	(2.4)	845	2	0.2	843	774	744
Intangible assets	567	349	N.M.	218	2	0.9	216	218	293
All other assets	2,463	278	12.7	2,185	101	4.8	2,084	2,020	1,923
Total Assets	\$35,112	\$2,473	7.6%	\$32,639	\$ 1,206	3.8%	\$31,433	\$28,972	\$26,063

Liabilities and Shareholders' Equity

Deposits:									
Demand deposits — non-interest bearing	\$ 3,530	\$ 151	4.5%	\$ 3,379	\$ 149	4.6%	\$ 3,230	\$ 3,080	\$ 2,902
Demand deposits — interest bearing	7,742	84	1.1	7,658	451	6.3	7,207	6,193	5,161
Savings and other domestic time deposits	2,992	(163)	(5.2)	3,155	(275)	(8.0)	3,431	3,462	3,583
Core certificates of deposit	5,050	1,716	51.5	3,334	644	23.9	2,689	3,115	4,175
Total core deposits	19,314	1,788	10.2	17,526	969	5.9	16,557	15,850	15,821
Other domestic time deposits of \$100,000 or more	1,113	203	22.3	910	317	53.5	593	389	295
Brokered deposits and negotiable CDs	3,242	123	3.9	3,119	1,282	69.8	1,837	1,419	731
Deposits in foreign offices	515	58	12.7	457	(51)	(10.0)	508	500	337
Total deposits	24,184	2,172	9.9	22,012	2,517	12.9	19,495	18,158	17,184

Short-term borrowings	1,800	421	30.5	1,379	(31)	(2.2)	1,410	1,600	1,856
Federal Home Loan Bank advances	1,369	264	23.9	1,105	(166)	(13.1)	1,271	1,258	279
Subordinated notes and other long-term debt	3,574	(490)	(12.1)	4,064	(1,315)	(24.4)	5,379	4,559	3,335
Total interest bearing liabilities	27,397	2,216	8.8	25,181	856	3.5	24,325	22,495	19,752
All other liabilities	1,239	(257)	(17.2)	1,496	(8)	(0.5)	1,504	1,201	1,170
Shareholders' equity	2,946	363	14.1	2,583	209	8.8	2,374	2,196	2,239
Total Liabilities and Shareholders' Equity	35,112	2,473	7.6%	32,639	\$ 1,206	3.8%	31,433	28,972	26,063

N.M., not a meaningful value.

- (1) For purposes of this analysis, non-accrual loans are reflected in the average balances of loans.
- (2) The middle market C&I and CRE loan balances in the first quarter of 2006 contain Unizan loan balances that were subject to reclassification when these loans were converted to Huntington's loan systems.

Huntington Bancshares Incorporated
Consolidated Annual Net Interest Margin Analysis
(Unaudited)

Fully Taxable Equivalent basis (1)	Annual Average Rates (2)				
	2006	2005	2004	2003	2002
Assets					
Interest bearing deposits in banks	6.00%	2.16%	1.05%	1.53%	2.38%
Trading account securities	4.19	4.08	4.15	4.02	4.11
Federal funds sold and securities purchased under resale agreements	5.00	2.27	1.73	1.80	1.56
Loans held for sale	6.10	5.64	5.35	5.32	6.35
Investment securities:					
Taxable	5.47	4.31	3.88	4.52	6.05
Tax-exempt	6.75	6.71	6.98	7.04	7.47
Total investment securities	5.62	4.58	4.14	4.73	6.12
Loans and leases (3):					
Commercial:					
Middle market commercial and industrial	7.38	5.79	4.41	4.82	5.50
Middle market commercial real estate:					
Construction	8.19	6.43	4.52	4.21	4.57
Commercial	7.41	5.93	4.58	4.97	5.76
Middle market commercial real estate	7.65	6.16	4.55	4.66	5.27
Small business	7.20	6.18	5.50	5.91	6.73
Total commercial	7.43	6.00	4.68	5.00	5.65
Consumer:					
Automobile loans	6.57	6.52	7.22	7.43	8.67
Automobile leases	5.07	4.94	5.00	5.12	5.14
Automobile loans and leases	5.82	5.66	6.14	6.73	8.17
Home equity	7.44	6.07	4.92	4.89	5.59
Residential mortgage	5.44	5.22	5.07	5.40	6.35
Other loans	9.07	10.23	7.51	8.55	9.35
Total consumer	6.37	5.80	5.48	5.95	6.98
Total loans and leases	6.86	5.89	5.13	5.50	6.27
Total earning assets	6.63%	5.65%	4.89%	5.35%	6.23%
Liabilities and Shareholders' Equity					
Deposits:					
Demand deposits — non-interest bearing	—%	—%	—%	—%	—%
Demand deposits — interest bearing	2.74	1.77	1.03	1.18	1.71
Savings and other domestic time deposits	1.68	1.36	1.28	1.96	2.24
Core certificates of deposit	4.25	3.56	3.36	3.67	4.48
Total core deposits	3.02	2.10	1.56	2.00	2.76
Other domestic time deposits of \$100,000 or more	4.99	3.39	1.90	1.17	2.50
Brokered deposits and negotiable CDs	5.22	3.51	1.80	1.70	2.36
Deposits in foreign offices	2.93	2.10	0.82	0.92	1.47
Total deposits	3.47	2.40	1.58	1.91	2.69
Short-term borrowings	4.01	2.49	0.93	0.98	1.56
Federal Home Loan Bank advances	4.38	3.13	2.62	1.94	2.00
Subordinated notes and other long-term debt	5.65	4.02	2.46	2.82	3.70
Total interest bearing liabilities	3.84	2.70	1.79	2.03	2.75
Net interest rate spread	2.79	2.95	3.10	3.32	3.48
Impact of non-interest bearing funds on margin	0.50	0.38	0.23	0.17	0.14
Net interest margin	3.29%	3.33%	3.33%	3.49%	3.62%

N.M., not a meaningful value.

(1) Fully taxable equivalent (FTE) yields are calculated assuming a 35% tax rate. See page 16 for the FTE adjustment.

(2) Loan and lease and deposit average rates include impact of applicable derivatives and non-deferrable fees.

(3) For purposes of this analysis, non-accrual loans are reflected in the average balances of loans.

Huntington Bancshares Incorporated
Selected Annual Income Statement Data
(Unaudited)

<i>(in thousands, except per share amounts)</i>	Year Ended December 31,								
	2006	Change from 2005		2005	Change from 2004		2004	2003	2002
		Amount	%		Amount	%			
Interest income	\$ 2,070,519	\$ 428,754	26.1%	\$ 1,641,765	\$ 294,450	21.9%	\$ 1,347,315	\$ 1,305,756	\$ 1,293,195
Interest expense	1,051,342	371,988	54.8	679,354	243,413	55.8	435,941	456,770	543,621
Net interest income	1,019,177	56,766	5.9	962,411	51,037	5.6	911,374	848,986	749,574
Provision for credit losses	65,191	(16,108)	(19.8)	81,299	26,237	47.7	55,062	163,993	194,426
Net interest income after provision for credit losses	953,986	72,874	8.3	881,112	24,800	2.9	856,312	684,993	555,148
Service charges on deposit accounts	185,713	17,879	10.7	167,834	(3,281)	(1.9)	171,115	167,840	153,564
Trust services	89,955	12,550	16.2	77,405	9,995	14.8	67,410	61,649	62,051
Brokerage and insurance income	58,835	5,216	9.7	53,619	(1,180)	(2.2)	54,799	57,844	62,109
Other service charges and fees	51,354	7,006	15.8	44,348	2,774	6.7	41,574	41,446	42,888
Bank owned life insurance income	43,775	3,039	7.5	40,736	(1,561)	(3.7)	42,297	43,028	43,123
Mortgage banking income	41,491	13,158	46.4	28,333	1,547	5.8	26,786	58,180	32,751
Gains on sales of automobile loans	3,095	1,884	N.M.	1,211	(12,995)	(91.5)	14,206	40,039	—
Securities (losses) gains (1)	(73,191)	(65,136)	N.M.	(8,055)	(23,818)	N.M.	15,763	5,258	4,902
Gain on sale of branch offices	—	—	—	—	—	—	—	13,112	—
Gain on sale of Florida operations	—	—	—	—	—	—	—	—	182,470
Merchant services gain	—	—	—	—	—	—	—	—	24,550
Other income	116,927	23,091	24.6	93,836	(5,381)	(5.4)	99,217	91,059	76,222
Sub-total before operating lease income	517,954	18,687	3.7	499,267	(33,900)	(6.4)	533,167	579,455	684,630
Automobile operating lease income	43,115	(89,900)	(67.6)	133,015	(152,416)	(53.4)	285,431	489,698	657,074
Total non-interest income	561,069	(71,213)	(11.3)	632,282	(186,316)	(22.8)	818,598	1,069,153	1,341,704
Personnel costs	541,228	59,570	12.4	481,658	(4,148)	(0.9)	485,806	447,263	418,037
Outside data processing and other services	78,779	4,141	5.5	74,638	2,523	3.5	72,115	66,118	67,368
Net occupancy	71,281	189	0.3	71,092	(4,849)	(6.4)	75,941	62,481	59,539
Equipment	69,912	6,788	10.8	63,124	(218)	(0.3)	63,342	65,921	68,323
Marketing	31,728	5,449	20.7	26,279	1,679	6.8	24,600	25,648	26,655
Professional services	27,053	(7,516)	(21.7)	34,569	(2,307)	(6.3)	36,876	42,448	33,085
Telecommunications	19,252	604	3.2	18,648	(1,139)	(5.8)	19,787	21,979	22,661
Printing and supplies	13,864	1,291	10.3	12,573	110	0.9	12,463	13,009	15,198
Amortization of intangibles	9,962	9,133	N.M.	829	12	1.5	817	816	2,019
Restructuring reserve releases	—	—	—	—	1,151	N.M.	(1,151)	(6,666)	48,973
Loss on early extinguishment of debt	—	—	—	—	—	—	—	15,250	—
Other expense	106,649	24,089	29.2	82,560	(14,008)	(14.5)	96,568	82,622	93,319
Sub-total before operating lease expense	969,708	103,738	12.0	865,970	(21,194)	(2.4)	887,164	836,889	855,177
Automobile operating lease expense	31,286	(72,564)	(69.9)	103,850	(131,230)	(55.8)	235,080	393,270	518,970
Total non-interest expense	1,000,994	31,174	3.2	969,820	(152,424)	(13.6)	1,122,244	1,230,159	1,374,147
Income before income taxes	514,061	(29,513)	(5.4)	543,574	(9,092)	(1.6)	552,666	523,987	522,705
Provision for income taxes (2)	52,840	(78,643)	(59.8)	131,483	(22,258)	(14.5)	153,741	138,294	198,974
Income before cumulative effect of change in accounting principle	461,221	49,130	11.9	412,091	13,166	3.3	398,925	385,693	323,731
Cumulative effect of change in accounting principle, net of tax	—	—	—	—	—	—	—	(13,330)	—
Net income	\$ 461,221	49,130	11.9%	\$ 412,091	13,166	3.3%	\$ 398,925	\$ 372,363	\$ 323,731
Average common shares — diluted	239,920	6,445	2.8%	233,475	(381)	(0.2)%	233,856	231,582	244,012
Per common share									
Income before cumulative effect of change in September 30, 2006 figures are estimated	\$ 1.95	\$ 0.16	8.9%	\$ 1.79	\$ 0.05	2.9%	\$ 1.74	\$ 1.68	\$ 1.34
Net income per common share — basic	1.95	0.16	8.9	1.79	0.05	2.9	1.74	1.62	1.34
Income before cumulative effect of change in accounting principle per common share — diluted	1.92	0.15	8.5	1.77	0.06	3.5	1.71	1.67	1.33
Net income per common share — diluted	1.92	0.15	8.5	1.77	0.06	3.5	1.71	1.61	1.33
Cash dividends declared	1.000	0.155	18.3	0.845	0.095	12.7	0.750	0.670	0.640
Return on average total assets	1.31%	0.05%	3.97	1.26%	(0.01)%	(0.79)	1.27%	1.29%	1.24%
Return on average total shareholders' equity	15.7	(0.3)	(1.9)	16.0	(0.8)	(4.8)	16.8	17.0	14.5
Net interest margin (3)	3.29	(0.04)	(1.2)	3.33	—	—	3.33	3.49	3.62
Efficiency ratio (4)	59.4	(0.6)	(1.0)	60.0	(5.0)	(7.7)	65.0	63.9	65.6
Effective tax rate	10.3	(13.9)	(57.4)	24.2	(3.60)	(12.9)	27.8	26.4	38.1 ⁽⁵⁾
Revenue — fully taxable equivalent (FTE)									
Net interest income	\$ 1,019,177	\$ 56,766	5.9%	\$ 962,411	\$ 51,037	5.6%	\$ 911,374	\$ 848,986	\$ 749,574
FTE adjustment	16,025	2,632	19.7	13,393	1,740	14.9	11,653	9,684	5,205

Net interest income (3)	1,035,202	59,398	6.1	975,804	52,777	5.7	923,027	858,670	754,779
Non-interest income	561,069	(71,213)	(11.3)	632,282	(186,316)	(22.8)	818,598	1,069,153	1,341,704
Total revenue	<u>\$ 1,596,271</u>	<u>\$ (11,815)</u>	<u>(0.7)%</u>	<u>\$ 1,608,086</u>	<u>\$ (133,539)</u>	<u>(7.7)%</u>	<u>\$ 1,741,625</u>	<u>\$ 1,927,823</u>	<u>\$ 2,096,483</u>

N.M., not a meaningful value.

- (1) Includes \$57.5 million of securities impairment losses as of December 31, 2006.
- (2) Includes an \$84.5 million benefit at December 31, 2006, reflecting the resolution of a federal income tax audit of tax years 2002 and 2003.
- (3) On a fully taxable equivalent (FTE) basis assuming a 35% tax rate.
- (4) Non-interest expense less amortization of intangibles divided by the sum of FTE net interest income and non-interest income excluding securities gains (losses).

Huntington Bancshares Incorporated
Annual Mortgage Banking Income and Net Impact of MSR Hedging
(Unaudited)

<i>(in thousands)</i>	Year Ended December 31,				
	2006	2005	2004	2003	2002
Mortgage Banking Income					
Origination fees	\$ 8,020	\$ 10,781	\$ 12,377	\$ 17,272	\$ 10,547
Secondary marketing	10,197	10,986	8,340	23,607	21,264
Servicing fees	24,659	22,181	21,696	16,906	11,430
Amortization of capitalized servicing ⁽¹⁾	(15,144)	(18,359)	(19,019)	(25,966)	(12,051)
Other mortgage banking income	10,173	11,750	7,524	11,404	14,956
Sub-total	37,905	37,339	30,918	43,223	46,146
MSR recovery / (impairment) ^{(1), (2)}	4,871	4,371	1,378	14,957	(14,113)
Net trading (losses) gains related to MSR hedging	(1,285)	(13,377)	(5,510)	—	718
Total mortgage banking income (loss)	\$ 41,491	\$ 28,333	\$ 26,786	\$ 58,180	\$ 32,751
Capitalized mortgage servicing rights ⁽³⁾	\$ 131,104	\$ 91,259	\$ 77,107	\$ 71,087	\$ 29,271
MSR allowance ⁽³⁾	—	(404)	(4,775)	(6,153)	(21,110)
Total mortgages serviced for others ⁽³⁾	8,252,000	7,276,000	6,861,000	6,394,000	3,776,000
MSR % of investor servicing portfolio	1.59%	1.25%	1.12%	1.11%	0.78%

N.M., not a meaningful value.

- (1) The change in fair value for the period represents the MSR valuation adjustment, net of amortization of capitalized servicing.
- (2) In 2006, Huntington adopted SFAS 156, under which MSRs were recorded and accounted for at fair value. Prior periods reflect temporary impairment or recovery, based on accounting for MSRs at the lower of cost or market.
- (3) At period end.

Huntington Bancshares Incorporated
Annual Credit Reserves Analysis
(Unaudited)

<i>(in thousands)</i>	Year Ended December 31,				
	2006	2005	2004	2003	2002
Allowance for loan and lease losses, beginning of period	\$ 268,347	\$ 271,211	\$ 299,732	\$ 300,503	\$ 345,402
Acquired allowance for loan and lease losses	23,785	—	—	—	—
Loan and lease losses	(119,692)	(115,848)	(126,115)	(201,534)	(234,352)
Recoveries of loans previously charged off	37,316	35,791	47,580	39,725	37,440
Net loan and lease losses	(82,376)	(80,057)	(78,535)	(161,809)	(196,912)
Provision for loan and lease losses	62,312	83,782	57,397	164,616	182,211
Economic reserve transfer	—	(6,253)	—	—	—
Allowance of assets sold and securitized	—	(336)	(7,383)	(3,578)	(30,198)
Allowance for loan and lease losses, end of period	\$ 272,068	\$ 268,347	\$ 271,211	\$ 299,732	\$ 300,503
Allowance for unfunded loan commitments and letters of credit, beginning of period	\$ 36,957	\$ 33,187	\$ 35,522	\$ 36,145	\$ 23,930
Acquired AULC	325	—	—	—	—
Provision for unfunded loan commitments and letters of credit losses	2,879	(2,483)	(2,335)	(623)	12,215
Economic reserve transfer	—	6,253	—	—	—
Allowance for unfunded loan commitments and letters of credit, end of period	\$ 40,161	\$ 36,957	\$ 33,187	\$ 35,522	\$ 36,145
Total allowances for credit losses	\$ 312,229	\$ 305,304	\$ 304,398	\$ 335,254	\$ 336,648
Allowance for loan and lease losses (ALLL) as % of:					
Transaction reserve	0.86%	0.89%	0.83%	1.02%	N.A.%
Economic reserve	0.18	0.21	0.32	0.40	N.A.
Total loans and leases	1.04%	1.10%	1.15%	1.42%	1.62%
Non-performing loans and leases (NPLs)	181	263	424	397	235
Non-performing assets (NPAs)	136	229	250	343	220
Total allowances for credit losses (ACL) as % of:					
Total loans and leases	1.19%	1.25%	1.29%	1.59%	1.81%
Non-performing loans and leases	208	300	476	444	263
Non-performing assets	156	261	280	384	246

N.A., not applicable.

Huntington Bancshares Incorporated
Annual Net Charge-Off Analysis
(Unaudited)

<i>(in thousands)</i>	Year Ended December 31,				
	2006	2005	2004	2003	2002
Net charge-offs (recoveries) by loan and lease type:					
Commercial:					
Middle market commercial and industrial	\$ 6,318	\$13,578	\$ 1,920	\$ 75,803	\$104,703
Middle market commercial real estate:					
Construction	3,553	135	2,465	2,928	4,216
Commercial	2,555	3,910	5,506	5,019	11,968
Middle market commercial real estate	6,108	4,045	7,971	7,947	16,184
Small business	15,225	11,951	5,566	11,625	14,516
Total commercial	27,651	29,574	15,457	95,375	135,403
Consumer:					
Automobile loans	8,330	11,988	28,574	40,266	39,115
Automobile leases	10,445	11,664	10,837	5,728	1,431
Automobile loans and leases	18,775	23,652	39,411	45,994	40,546
Home equity	21,854	17,619	15,074	12,114	11,840
Residential mortgage	4,505	2,332	1,760	832	872
Other loans	9,591	6,880	6,833	7,494	8,251
Total consumer	54,725	50,483	63,078	66,434	61,509
Total net charge-offs	\$82,376	\$80,057	\$78,535	\$161,809	\$196,912
Net charge-offs (recoveries) — annualized percentages:					
Commercial:					
Middle market commercial and industrial	0.11%	0.28%	0.04%	1.64%	2.18%
Middle market commercial real estate:					
Construction	0.29	0.01	0.17	0.24	0.37
Commercial	0.09	0.20	0.29	0.28	0.72
Middle market commercial real estate	0.15	0.11	0.24	0.26	0.57
Small business	0.63	0.54	0.28	0.65	0.88
Total commercial	0.23	0.28	0.16	1.01	1.46
Consumer:					
Automobile loans	0.40	0.59	1.25	1.24	1.43
Automobile leases	0.51	0.48	0.49	0.40	0.32
Automobile loans and leases	0.46	0.53	0.88	0.98	1.27
Home equity	0.44	0.37	0.36	0.35	0.40
Residential mortgage	0.10	0.06	0.05	0.04	0.06
Other loans	2.18	1.79	1.74	1.78	1.55
Total consumer	0.39	0.37	0.51	0.63	0.76
Net charge-offs as a % of average loans	0.32%	0.33%	0.35%	0.81%	1.13%

N.M., not a meaningful value.

Huntington Bancshares Incorporated
Annual Non-Performing Assets and Past Due Loans and Leases
(Unaudited)

<i>(in thousands)</i>	December 31,				
	2006	2005	2004	2003	2002
Non-accrual loans and leases:					
Middle market commercial and industrial	\$ 35,657	\$ 28,888	\$ 24,179	\$33,745	\$ 79,691
Middle market commercial real estate	34,831	15,763	4,582	18,434	19,875
Small business	25,852	28,931	14,601	13,607	19,060
Residential mortgage	38,489	17,613	13,545	9,695	9,443
Home equity	15,266	10,720	7,055	—	—
Total non-performing loans and leases	150,095	101,915	63,962	75,481	128,069
Other real estate, net:					
Residential	47,898	14,214	8,762	6,918	7,915
Commercial	1,589	1,026	35,844	4,987	739
Total other real estate, net	49,487	15,240	44,606	11,905	8,654
Total non-performing assets	\$199,582	\$117,155	\$108,568	\$87,386	\$136,723
Non-performing assets guaranteed by the U.S. government ⁽¹⁾	\$ 33,858	\$ 7,324	\$ 3,550	\$ 2,295	\$ 1,291
Non-performing loans and leases as a % of total loans and leases	0.57%	0.42%	0.27%	0.36%	0.69%
Non-performing assets as a % of total loans and leases and other real estate	0.76	0.48	0.46	0.41	0.74
Accruing loans and leases past due 90 days or more ⁽¹⁾	\$ 59,114	\$ 56,138	\$ 54,283	\$55,913	\$ 61,526
Accruing loans and leases past due 90 days or more as a percent of total loans and leases	0.23%	0.23%	0.23%	0.27%	0.33%

<i>(in thousands)</i>	December 31,				
	2006	2005	2004	2003	2002
Non-performing assets, beginning of period	\$117,155	\$108,568	\$ 87,386	\$ 136,723	\$ 227,493
New non-performing assets ⁽¹⁾	228,005	171,150	137,359	222,043	260,229
Acquired non-performing assets	33,843	—	—	—	—
Returns to accruing status	(43,999)	(7,547)	(3,795)	(16,632)	(17,124)
Loan and lease losses	(46,191)	(38,819)	(37,337)	(109,905)	(152,616)
Payments	(59,469)	(64,861)	(43,319)	(83,886)	(136,774)
Sales	(29,762)	(51,336)	(31,726)	(60,957)	(44,485)
Non-performing assets, end of period	\$199,582	\$117,155	\$108,568	\$ 87,386	\$ 136,723

⁽¹⁾ Beginning in 2006, OREO includes balances of foreclosures on loans serviced for GNMA, which are fully guaranteed by the US Government, that were reported in 90 day past due loans and leases in prior periods.

Huntington Bancshares Incorporated
Annual Automobile Operating Lease Performance
(Unaudited)

	At December 31,				
<i>(in thousands)</i>	2006	2005	2004	2003	2002
Balance Sheet:					
Average automobile operating lease assets outstanding	\$92,613	\$351,213	\$890,930	\$1,696,535	\$2,602,154
Income Statement:					
Net rental income	\$37,512	\$121,101	\$265,542	\$ 458,644	\$ 615,453
Fees	2,021	6,531	13,457	21,623	28,542
Recoveries — early terminations	3,582	5,383	6,432	9,431	13,079
Total automobile operating lease income	43,115	133,015	285,431	489,698	657,074
Depreciation and residual losses at termination	28,591	94,816	215,047	350,550	463,783
Losses — early terminations	2,695	9,034	20,033	42,720	55,187
Total automobile operating lease expense	31,286	103,850	235,080	393,270	518,970
Net earnings contribution	\$11,829	\$ 29,165	\$ 50,351	\$ 96,428	\$ 138,104

Definition of terms:

Net rental income includes the lease payments earned on the vehicles that Huntington leases to its customers under operating leases. Fees include late fees, early payment fees and other non-origination fees. Recoveries represent payments received on a cash basis subsequent to a customer's default on an operating lease and a recognition of an impairment loss on the lease. Depreciation represents the periodic depreciation of vehicles to their residual value owned by Huntington under operating leases and any accelerated depreciation where Huntington expects to receive less than the residual value from the sale of the vehicle and from insurance proceeds at the end of the lease term. Losses represent impairments recognized on vehicles where the lessee has defaulted on the operating lease.