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**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 22, 2009

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**HUNTINGTON BANCSHARES INCORPORATED**

(Exact name of registrant as specified in its charter)

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Maryland (State or other jurisdiction of incorporation)	1-34073 (Commission File Number)	31-0724920 (IRS Employer Identification No.)
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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

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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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**Item 2.02. Results of Operations and Financial Condition.**

On January 22, 2009, Huntington Bancshares Incorporated (“Huntington”) issued a news release announcing its earnings for the quarter and year ended December 31, 2008. Also on January 22, 2009, Huntington made a Quarterly Financial Review available on its web site, [www.huntington-ir.com](http://www.huntington-ir.com).

Huntington’s senior management will host an earnings conference call January 22, 2009, at 1:00 p.m. EST. The call may be accessed via a live Internet webcast at [www.huntington-ir.com](http://www.huntington-ir.com) or through a dial-in telephone number at 800-223-1238; conference ID 77389849. Slides will be available at [www.huntington-ir.com](http://www.huntington-ir.com) just prior to 1:00 p.m. EST on January 22, 2009, 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](http://www.huntington-ir.com). A telephone replay will be available two hours after the completion of the call through January 31, 2009, at 800-642-1687; conference call ID 77389849.

The information contained or incorporated by reference in this Current Report on Form 8-K contains certain forward-looking statements, including certain plans, expectations, goals, projections, and statements, 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: (1) deterioration in the loan portfolio could be worse than expected due to a number of factors such as the underlying value of the collateral could prove less valuable than otherwise assumed and assumed cash flows may be worse than expected; (2) changes in economic conditions; (3) movements in interest rates; (4) competitive pressures on product pricing and services; (5) success and timing of other business strategies; (6) the nature, extent, and timing of governmental actions and reforms; and (7) extended disruption of vital infrastructure. The Emergency Economic Stabilization Act of 2008 (EESA) passed 10/3/08 could have an undetermined material impact on company performance depending on rules of participation that have yet to be finalized. Additional factors that could cause results to differ materially from those described above can be found in Huntington’s 2007 Annual Report on Form 10-K, and documents subsequently filed by Huntington with the Securities and Exchange Commission. All forward-looking statements contained or incorporated by reference in this Current Report on Form 8-K are based on information available at the time of the release. Huntington assumes no obligation to update any forward-looking statement.

The fourth quarter 2008 Franklin Credit Management Corporation (Franklin) net charge-off information provided in the news release is not presented in accordance with Generally Accepted Accounting Standards (GAAP) because it excludes average loan balances related to Franklin in the narrative. Below is a reconciliation based on GAAP.

(in millions)	2008		2007
	Fourth	Third	Fourth
<b>Commercial and industrial net charge-offs</b>			
Total	\$ 473.4	\$ 29.6	\$ 323.9
Franklin	(423.3)	(-)	(308.5)
Non-Franklin	\$ 50.1	\$ 29.6	\$ 15.4
<b>Commercial and industrial average loan balances:</b>			
Total	\$ 13,746	\$ 13,629	\$ 13,270
Franklin	(1,085)	(1,114)	(1,522)
Non-Franklin	\$ 12,661	\$ 12,515	\$ 11,748
<b>Commercial and industrial net charge-offs – annualized percentages</b>			
Total	13.78%	0.87%	9.76%
Franklin	—	—	—
Non-Franklin	1.58%	0.95%	5.24%
<b>Total net charge-offs – annualized percentages</b>			
Total	5.41%	0.92%	3.77%
Franklin	—	—	—
Non-Franklin	1.36%	0.84%	0.72%

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 22, 2009.

Exhibit 99.2 — Quarterly Financial Review, December 2008.

**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 22, 2009

By: /s/ Donald R. Kimble

Donald R. Kimble

Executive Vice President and Chief Financial Officer

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## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
Exhibit 99.1	News release of Huntington Bancshares Incorporated, January 22, 2009.
Exhibit 99.2	Quarterly Financial Review, December 2008.



NEWSRELEASE  
FOR IMMEDIATE RELEASE  
January 22, 2009

**Contacts:**

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**HUNTINGTON BANCSHARES REPORTS:**

- **2008 FOURTH QUARTER NET LOSS OF \$417.3 MILLION, OR \$1.20 PER COMMON SHARE**
  - \$454.3 million pre-tax (\$0.81 per share) negative impact from Franklin Credit Management Company (Franklin) relationship
  - \$141.7 million pre-tax (\$0.25 per share) negative impact from net market-related losses
  - 10.76% Tier 1 capital ratio and 13.96% Total risk-based capital ratio, or \$2.2 billion and \$1.9 billion in excess of the regulatory “well capitalized” minimums of 6% and 10%, respectively
  - \$162.0 million increase in the allowance for credit losses to 2.30%
  - \$961.3 million increase in non-performing assets, including the \$650.2 million remaining balance to Franklin
  - Annualized net charge-offs of 5.41%, including Franklin; 1.36% non-Franklin related
  - 4% annualized growth in total average loans and leases
  - 3% annualized growth in total average core deposits
  - Management to forego 2008 bonuses
  - Board compensation changed to stock
- **2008 FULL YEAR NET LOSS OF \$113.8 MILLION, OR \$0.44 PER COMMON SHARE**
- **REDUCTION IN QUARTERLY COMMON STOCK DIVIDEND TO \$0.01 PER SHARE**

COLUMBUS, Ohio – Huntington Bancshares Incorporated (NASDAQ: HBAN; [www.huntington.com](http://www.huntington.com)) reported a 2008 fourth quarter net loss of \$417.3 million, or \$1.20 per

common share. This compared with net income of \$75.1 million, or \$0.17 per common share, in the 2008 third quarter and a net loss of \$239.3 million, or \$0.65 per common share, in the year-ago quarter.

For the year ending December 31, 2008, Huntington reported a net loss of \$113.8 million, or \$0.44 per common share, compared with net income of \$75.2 million, or \$0.25 per common share in 2007.

## PERFORMANCE OVERVIEW

Performance compared with the 2008 third quarter included:

- Net loss of \$1.20 per common share, compared with net income of \$0.17 per common share. Current quarter earnings were negatively impacted \$0.81 per common share by the Franklin relationship and \$0.25 per common share by market-related losses (see *Significant Item discussion and Table 1 below*).
- \$560.6 million of net charge-offs, or an annualized 5.41% of average total loans, including \$423.3 million related to Franklin. The non-Franklin related net charge-offs were \$137.4 million, or an annualized 1.36% of related loans, up from an annualized 0.82% in the third quarter.
- 2.30% period-end allowance for credit losses (ACL) ratio, up from 1.90% at the end of the third quarter.
- \$961.3 million increase in non-performing assets (NPAs), including \$650.2 million related to the Franklin relationship. Period-end 3.97% NPA ratio, up from 1.64%.
- 3.18% net interest margin, down from 3.29% with 8 basis points of the decline associated with the Franklin relationship.
- 9% annualized linked-quarter growth in average total commercial loans and a 2% annualized linked-quarter decline in average total consumer loans.
- 3% annualized linked-quarter increase in average total core deposits.
- 10.76% and 13.96% period-end Tier 1 and Total risk-based capital ratios, compared with 8.80% and 12.03%, respectively, at September 30, 2008, and well above the regulatory "well capitalized" thresholds of 6.0% and 10.0%, respectively. The increase in both ratios included 2.99% due to issuance of preferred shares under the Trouble Asset Relief Program Capital Purchase Plan administered by the United States Treasury.

"Fourth quarter performance was clearly disappointing, and Huntington's performance mirrored the industry in that regard," said Stephen D. Steinour, Huntington's newly elected chairman, president, and chief executive officer. "The poor performance reflected the very difficult and challenging economic environment in which we find ourselves. Our relationship with Franklin Credit Management has been the primary worry of our investors. As such, my first priority was to take steps to address Franklin as an investor issue, which I believe we have now done."

“There were some bright spots in the quarter, such as our ability to continue to grow loans and core deposits,” he continued. “Our lines of business continued to grow their customer bases and attract new business customers. We were able to use some of the TARP capital for loan originations and modifications, with the remainder temporarily paying down short-term borrowings, thus creating future lending capacity. From November 15, 2008, the date we received the TARP capital, through year end, we originated, renewed, or funded over \$1.0 billion of commercial loans and almost \$500 million of consumer loans. It also strengthened our regulatory Tier 1 and Total risk-based capital positions, which are now at least \$1.9 billion above the regulatory “well capitalized” levels. Our liquidity position is robust.”

“Yet these successes were overshadowed by the difficult and volatile market conditions that made revenue growth a challenge. This was most notable in the decreased value of our investment securities portfolio where additional impairment was recognized, as well as the decline in asset values in our asset management and brokerage areas. Margins remained under pressure due to the continued intense competition for deposits in our markets. And there was upward pressure on expenses from such things as higher FDIC insurance premiums and increased collection activities.”

Commenting on non-Franklin related credit quality performance, Steinour noted, “Credit quality performance was mixed. Net charge-offs for our home equity and residential mortgage portfolios were in line with expectations. In contrast, non-Franklin related commercial loans deteriorated more than expected, as the fourth quarter’s accelerated weakening of the economy took its toll on our business borrowers’ ability to pay and collateral values. The automobile loan and lease net charge-off rate was slightly worse than expected, reflecting reduced sales and higher net charge-offs as used car prices fell. These factors contributed to the increase in non-Franklin related net charge-offs, as well as higher provision expense in order to replenish and build our reserve levels. While there will remain credit challenges, we believe they are addressable given our strong regulatory capital position.”

“I think it is important that our investors, customers, and associates understand that despite this quarter’s performance and the continued challenges in coming quarters, Huntington has opportunities. Our strategic positioning as the ‘local’ bank is one to which our customers respond well, especially in difficult times. Our product and services menu is robust and we have good overall distribution and superb internet based delivery channels. I have always found that challenging times offer great opportunities and I am confident that will be true at Huntington as well,” he concluded.

#### **DIVIDEND, MANAGEMENT AND BOARD COMPENSATION ANNOUNCEMENTS**

Huntington also announced that the board of directors has declared a quarterly cash dividend on its common stock of \$0.01 per common share. The dividend is payable April 1, 2009, to shareholders of record on March 13, 2009.

Regarding the decision to reduce the cash dividend, Steinour said, “This dividend reduction is clearly painful for our shareholders. Nevertheless, given that we reported a loss for 2008 and expect that 2009 will remain a challenging year, it is the right decision for these times.

Importantly, and reflecting alignment with our shareholders, key members of management will forego 2008 bonuses, and going forward compensation to the board of directors will only be in common stock.”

#### **FOURTH QUARTER PERFORMANCE DISCUSSION**

##### **Significant Items Influencing Financial Performance Comparisons**

Specific significant items impacting 2008 fourth quarter performance included (*see Table 1 below*):

- \$454.3 million pre-tax (\$0.81 per common share) negative impact related to our relationship with Franklin consisting of:
  - \$438.0 million of provision for credit losses,
  - \$9.0 million of interest income reversals as the loans were placed on nonaccrual loan status, and
  - \$7.3 million of interest rate swap write offs.
- \$141.7 million pre-tax (\$0.25 per common share) negative impact of net market-related losses consisting of:
  - \$127.1 million of securities losses, related to other-than-temporary impairment (OTTI) on certain investment securities,
  - \$12.6 million net negative impact of mortgage servicing rights (MSR) hedging consisting of a \$22.1 million net impairment loss reflected in non-interest income, partially offset by a \$9.5 million net interest income benefit, and
  - \$2.0 million of equity investment losses.
- \$2.9 million (\$0.01 per common share) increase to provision for income taxes, representing an increase to the previously established capital loss carry-forward valuation allowance related to the decline in value of Visa® shares held and the reduction of shares resulting from the revised conversion ratio.
- \$4.6 million pre-tax (\$0.01 per common share) decline in other non-interest expense, representing a partial reversal of the 2007 fourth quarter accrual of \$24.9 million for our portion of the bank guaranty covering indemnification charges against Visa® following its funding of an escrow account for a portion of such indemnification.



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

Three Months Ended (in millions, except per share)	Impact (2)	
	Pre-tax	EPS (3)
<b>December 31, 2008 – GAAP loss</b>	<b>\$(417.3)(3)</b>	<b>\$(1.20)</b>
• Franklin relationship	(454.3)	(0.81)
• Net market-related losses	(141.7)	(0.25)
• Visa®-related deferred tax valuation allowance provision	(2.9)(3)	(0.01)
• Visa® indemnification	4.6	0.01
<b>September 30, 2008 – GAAP earnings</b>	<b>\$ 75.1 (3)</b>	<b>\$ 0.17</b>
• Net market-related losses	(47.1)	(0.08)
• Visa®-related deferred tax valuation allowance provision	(3.7)(3)	(0.01)
<b>December 31, 2007 – GAAP loss</b>	<b>\$(239.3)(3)</b>	<b>\$(0.65)</b>
• Franklin relationship restructuring	(423.6)	(0.75)
• Net market-related losses	(63.5)	(0.11)
• Merger costs	(44.4)	(0.08)
• Aggregate impact of Visa® IPO	(24.9)	(0.04)
• Increases to litigation reserves	(8.9)	(0.02)

(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; EPS reflected on a fully diluted basis

#### **Franklin Credit Management Relationship Actions**

Through the 2008 third quarter, the Franklin relationship continued to perform and accrue interest. While the cash flow generated by the underlying collateral was declining slightly, it continued to exceed the requirements of the 2007 fourth quarter restructuring agreement. However, during the 2008 fourth quarter the cash flows deteriorated significantly, reflecting a more severe than expected deterioration in the overall economy during the quarter. Principal payments associated with the first mortgage portfolios contracted significantly as the availability of credit was further reduced. An important source of principal reductions has been proceeds

from the sale of properties in foreclosure, so the tightening credit scenario had a direct negative impact on the cash flows during the quarter. In addition, interest collections declined in the Franklin second mortgage portfolio as delinquencies continued to increase. These factors, coupled with the expectation that the severity of the economic downturn will further weaken the borrower's ability to pay and the underlying value of the collateral, resulted in a significant deterioration in the value of Franklin's mortgages. As such, the revaluation of the future expected cash flows led to the following 2008 fourth quarter actions:

- \$423.3 million of our loans to Franklin were charged-off,
- \$9.0 million of interest was reversed as the remaining loans were put on nonaccrual,
- \$7.3 million of interest swap exposure was written off, and
- \$438.0 million of provision expense was taken to replenish and increase the remaining specific loan loss reserve.

As a result of these actions, at December 31, 2008, total loans outstanding to Franklin were \$650.2 million, down \$444.3 million, or 41%, from \$1.095 billion at September 30, 2008. The specific allowance for loan losses on the Franklin exposure at December 31, 2008, was \$130.0 million, up from \$115.3 million at September 30, 2008, and represented 20% of the remaining loans outstanding. Subtracting the specific reserve from total loans outstanding, our total net exposure to Franklin at December 31, 2008, was \$520.2 million.

"These actions should substantially address investor concerns regarding our exposure to Franklin," said Steinour. "Our period-end net exposure to Franklin was \$520.2 million, which represents the ending loan balance of \$650.2 million, net of the \$130.0 million period-end reserve. Importantly, considering only our share of first mortgage collateral, based on current valuations and a realizable value factor of 60%, plus \$23 million of other collateral, mostly cash, the combined collateral represents 108% of our \$520.2 million net exposure. In addition to the conservative collateral valuations methodology on the first mortgages, we have not ascribed any collateral value to the Franklin second mortgage portfolio, or the \$5 million in monthly cash flow generated by that portfolio, which that will go directly to reduce the principal balance. Of equal importance, these actions create flexibility with the portfolio that should maximize the ultimate recovery of our remaining loans to Franklin. Going forward, our strategies related to this relationship include creating a structure that will help unlock the value of the Franklin servicing capabilities to third parties, and we are considering other structural changes in order to maximize its value to our shareholders."

"Addressing Franklin was my highest priority upon joining Huntington. Despite being here only a short while, we have spent hundreds of man-hours analyzing this situation in great detail and in dimensioning what actions would be required to accomplish this objective. While no assurances can be made, for these are unprecedented economic times, we believe our actions have positioned our exposure substantially in line with expected recoverable values," he concluded.

### Troubled Asset Relief Program Capital Purchase Plan

As previously announced on November 14, 2008, Huntington received \$1.4 billion of equity capital by issuing to the U.S. Department of Treasury, fixed rate cumulative perpetual preferred stock.

Commenting on the receipt of this capital, Steinour said, "This capital provides additional flexibility and we are committed to use it as intended to support and increase loan originations and our existing loan modification programs. We want to serve the loan demands of our customers and expect that over time this capital will contribute to those efforts. From November 15, 2008, the date we received the TARP capital, through year end, we originated or renewed over \$1.7 billion of loans. This capital also significantly increased our regulatory Tier 1 and Total risk-based capital ratios to 10.76% and 13.96%, respectively, or at least \$1.9 billion above the regulatory "well capitalized" minimums of 6.0% and 10.0%, respectively".

### Net Interest Income, Net Interest Margin, and Average Balance Sheet

#### 2008 Fourth Quarter versus 2008 Third Quarter

Compared with the 2008 third quarter, fully taxable equivalent net interest income decreased \$14.1 million, or 4%. This primarily reflected an 11 basis point decline in the net interest margin to 3.18% from 3.29%. The 11 basis point decline in the net interest margin was almost entirely due to interest accrual reversals resulting from loans being placed on nonaccrual status, with 8 basis points associated with the Franklin relationship actions taken in the fourth quarter. While average total loans and leases increased during the quarter, this growth was more than offset by a decline in other earning assets, most notably investment securities and federal funds sold.

Table 2 details the increase in average loans and leases.

Table 2 – Loans and Leases – 4Q08 vs. 3Q08

<i>(in billions)</i>	Fourth Quarter 2008	Third Quarter 2008	Change	
			Amount	%
<b>Average Loans and Leases</b>				
Commercial and industrial	\$13.7	\$13.6	\$ 0.1	1%
Commercial real estate	10.2	9.8	0.4	4
Total commercial	\$24.0	\$23.4	\$ 0.5	2%
Automobile loans and leases	4.5	4.6	(0.1)	(2)
Home equity	7.5	7.5	0.1	1
Residential mortgage	4.7	4.8	(0.1)	(2)
Other consumer	0.7	0.7	0.0	1
Total consumer	17.5	17.6	(0.1)	(0)
Total loans and leases	\$41.4	\$41.0	\$ 0.4	1%

Average total loans and leases increased \$0.4 billion, or 1%, primarily due to growth in average total commercial loans that was partially offset by a decline in total average consumer loans.

Average total commercial loans increased \$0.5 billion, or 2%, reflecting 4% growth in average commercial real estate (CRE) loans and 1% growth in average commercial and industrial (C&I) loans. The fourth quarter CRE growth was comprised primarily of funding letters of credit that had supported floating rate bonds issued by our customers. This growth was not associated with the single family home builder segment as exposure to this segment declined slightly during the quarter.

Average total consumer loans decreased \$0.1 billion. Average total automobile loans and leases declined, reflecting a 28% decline in loan originations and a 46% decline in automobile direct financing lease production. The declines in origination volume reflected the industry wide dramatic decline in sales, and our decision to exit the automobile leasing business in the fourth quarter. We continue to consider our automobile loan business and dealer relationships as an important piece of the Huntington loan portfolio. Average residential mortgages also declined 2%, reflecting the continued slump in the housing markets, though average home equity loans increased 1%, due to increased volume in home equity line outstandings given the current interest rate environment. We continue to pursue origination strategies within the consumer segments, and are confident that we are meeting the demands of our borrowers. Yet, concerns about a weakening economy and job stability are curtailing customer demand.

Table 3 details the \$0.2 billion decline in average total deposits.

**Table 3 – Deposits – 4Q08 vs. 3Q08**

<i>(in billions)</i>	Fourth Quarter 2008	Third Quarter 2008	Change	
			Amount	%
<b>Average Deposits</b>				
Demand deposits — non-interest bearing	\$ 5.2	\$ 5.1	\$ 0.1	2%
Demand deposits — interest bearing	4.0	4.0	(0.0)	(0)
Money market deposits	5.5	5.9	(0.4)	(6)
Savings and other domestic deposits	4.8	4.9	(0.1)	(2)
Core certificates of deposit	12.5	11.9	0.6	5
Total core deposits	32.0	31.7	0.3	1
Other deposits	5.6	6.1	(0.5)	(8)
<b>Total deposits</b>	<b>\$37.6</b>	<b>\$37.8</b>	<b>\$ (0.2)</b>	<b>(1)%</b>

Average total deposits were down \$0.2 billion, or 1%, from the prior quarter and reflected:

- \$0.5 billion, or 8%, decrease in average non-core deposits, primarily reflecting a decline in other non-core domestic deposits.

Partially offset by:

- \$0.3 billion, or 1%, increase in average total core deposits. The primary driver of the change was 5% growth in higher rate core certificates of deposits, partially offset by a 6% decline in lower rate money market accounts.

***2008 Fourth Quarter versus 2007 Fourth Quarter***

Fully taxable equivalent net interest income decreased \$8.3 million, or 2%, from the year-ago quarter. This reflected the unfavorable impact of an 8 basis point decline in the net interest margin to 3.18%. Average earning assets increased \$0.3 billion, or 1%, reflecting a \$1.3 billion, or 3%, increase in average total loans and leases, partially offset by declines in other earning assets, most notably federal funds sold.

Table 4 details the \$1.3 billion increase in average loans and leases.

***Table 4 – Loans and Leases – 4Q08 vs. 4Q07***

<i>(in billions)</i>	Fourth Quarter		Change	
	2008	2007	Amount	%
<b>Average Loans and Leases</b>				
Commercial and industrial	\$13.7	\$13.3	\$ 0.5	4%
Commercial real estate	10.2	9.1	1.2	13
<b>Total commercial</b>	<b>\$24.0</b>	<b>\$22.3</b>	<b>\$ 1.6</b>	<b>7%</b>
Automobile loans and leases	4.5	4.3	0.2	5
Home equity	7.5	7.3	0.2	3
Residential mortgage	4.7	5.4	(0.7)	(13)
Other consumer	0.7	0.7	(0.1)	(7)
<b>Total consumer</b>	<b>17.5</b>	<b>17.8</b>	<b>(0.3)</b>	<b>(2)</b>
<b>Total loans and leases</b>	<b>\$41.4</b>	<b>\$40.1</b>	<b>\$ 1.3</b>	<b>3%</b>

The \$1.3 billion, or 3%, increase in average total loans and leases primarily reflected:

- \$1.6 billion, or 7%, increase in average total commercial loans, with growth reflected in both C&I loans and CRE loans. The \$1.2 billion, or 13%, increase in average CRE loans reflected a combination of factors, including the previously mentioned funding of letters of credit that had supported floating rate bonds, loans to existing borrowers, and draws on existing commitments, and loans to new business customers. The new loan activity, both to existing and new customers, was focused on traditional income producing property types and was not related to the single family residential developer segment. The \$0.5 billion, or 4%, growth in average C&I loans reflected a combination of draws associated with existing commitments, new loans to existing borrowers, and some originations to new high credit quality customers. Given our consistent positioning in the market, we have been able to attract new relationships that historically dealt exclusively with

competitors. These “house account” types of relationships are typically the highest quality borrowers and bring with them the added benefit of significant new deposit and other non-credit relationships.

Partially offset by:

- \$0.3 billion, or 2%, decrease in average total consumer loans. This reflected a \$0.7 billion, or 13%, decline in average residential mortgages, reflecting the impact of a loan sale in the 2008 second quarter, as well as the continued slump in the housing markets. Average home equity loans increased 3%, due to significant activity in home equity lines, particularly in the second half of the year due to the significantly lower rate environment. There was a decrease in the level of home equity loans, as borrowers moved back to the variable rate product. Huntington has underwritten home equity lines with credit policies designed to continue to improve the risk profile of the portfolio. Notably, our interest rate stress policies associated with this variable rate product continue to be in place. While clearly some borrowers have increased their funding percentage, the overall funding percentage on the home equity lines increased only slightly to 48%. Average automobile loans and leases increased 5% from the year-ago quarter, despite the dramatic decline in automobile sales that negatively affected growth in the 2008 fourth quarter due to the growth experienced earlier in 2008. Even though automobile loan origination volumes have declined, the impact of prepayments on this portfolio is lower because of loan sales in prior years.
- Table 5 details the \$0.1 billion reported decrease in average total deposits.

**Table 5 – Deposits – 4Q08 vs. 4Q07**

(in billions)	Fourth Quarter		Change	
	2008	2007	Amount	%
<b>Average Deposits</b>				
Demand deposits — non-interest bearing	\$ 5.2	\$ 5.2	\$ (0.0)	(0)%
Demand deposits — interest bearing	4.0	3.9	0.1	2
Money market deposits	5.5	6.8	(1.3)	(20)
Savings and other domestic deposits	4.8	5.0	(0.2)	(3)
Core certificates of deposit	12.5	10.7	1.8	17
Total core deposits	32.0	31.7	0.3	1
Other deposits	5.6	6.0	(0.4)	(7)
<b>Total deposits</b>	<b>\$37.6</b>	<b>\$37.7</b>	<b>\$ (0.1)</b>	<b>(0)%</b>

The \$0.1 billion decrease in average total deposits reflected growth in average total core deposits, as average other deposits declined. Changes from the year-ago period reflected the continuation of customers transferring funds from lower rate to higher rate accounts like certificates of deposits as short-term rates have fallen. Specifically, average core certificates of deposit increased \$1.8 billion, or 17%, whereas average money market deposits and savings and other domestic deposits decreased 20% and 3%, respectively.

## Provision for Credit Losses

The provision for credit losses in the 2008 fourth quarter was \$722.6 million, up \$597.2 million from the third quarter, of which \$438.0 million reflected the Franklin relationship actions during the current quarter. The provision for credit losses in the current quarter was \$210.5 million higher than in the year-ago quarter. (See *Franklin Credit Management Relationship Actions and Credit Quality discussions*).

## Non-Interest Income

### 2008 Fourth Quarter versus 2008 Third Quarter

Non-interest income decreased \$100.8 million, or 60%, from the third quarter.

**Table 6 – Non-interest Income – 4Q08 vs. 3Q08**

(in millions)	Fourth Quarter 2008	Third Quarter 2008	Change		Change Attributable to		
			Amount	%	Significant Items	Other Amount	%
<b>Non-interest Income</b>							
Service charges on deposit accounts	\$ 75.2	\$ 80.5	\$ (5.3)	(7)%	\$ —	\$ (5.3)	(7)%
Brokerage and insurance income	31.2	34.3	(3.1)	(9)	—	(3.1)	(9)
Trust services	27.8	31.0	(3.1)	(10)	—	(3.1)	(10)
Electronic banking	22.8	23.4	(0.6)	(3)	—	(0.6)	(3)
Bank owned life insurance income	13.6	13.3	0.3	2	—	0.3	2
Automobile operating lease income	13.2	11.5	1.7	15	—	1.7	15
Mortgage banking income (loss)	(6.7)	10.3	(17.0)	NM	(15.6) (1)	(1.4)	(14)
Securities gains (losses)	(127.1)	(73.8)	(53.3)	(72)	(53.3) (2)	—	0
Other income	17.1	37.3	(20.3)	(54)	(12.7) (3)	(7.6)	(20)
<b>Total non-interest income</b>	<b>\$ 67.1</b>	<b>\$ 167.9</b>	<b>\$ (100.8)</b>	<b>(60)%</b>	<b>\$ (81.6)</b>	<b>\$ (19.1)</b>	<b>(11)%</b>

### (1) Net impact of MSR hedging

MSR valuation adjustment	\$ (63.4)	\$ (10.3)	\$ (53.1)
Net trading (losses) gains	41.3	3.8	37.5
Impact to non interest income	(22.1)	(6.5)	(15.6)
Net interest income impact	9.5	8.4	1.1
Net impact of MSR hedging	\$ (12.6)	\$ 1.9	\$ (14.5)

### (2) Securities gains (losses)

Securities gains (losses)	\$ (127.1)	\$ (73.8)	\$ (53.3)
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### (3) Other income

Equity investment gains (losses)	\$ (2.0)	\$ 3.4	\$ (5.4)
Franklin swap losses	(7.3)	—	(7.3)
Impact to other income	\$ (9.3)	\$ 3.4	\$ (12.7)

The \$100.8 million decrease in total non-interest income included \$81.6 million from significant items(see *Significant Item discussion*). The remaining \$19.1 million, or 11%, decline reflected:

- \$7.6 million, or 20%, decline in other income, reflecting credit losses on non-Franklin interest rate swaps.
- \$5.3 million, or 7%, decline in service charges on deposit accounts, primarily reflecting lower consumer NSF and overdraft fees.
- \$3.1 million, or 10%, decline in trust services income, reflecting the impact of lower market values on asset management revenues.
- \$3.1 million, or 9%, decline in brokerage and insurance income, primarily reflecting lower commercial line insurance income.

2008 Fourth Quarter versus 2007 Fourth Quarter

Non-interest income decreased \$103.5 million, or 61%, from the year-ago quarter.

Table 7 – Non-interest Income – 4Q08 vs. 4Q07

(in millions)	Fourth Quarter		Change		Significant Items	Change Attributable to	
	2008	2007	Amount	%		Amount	Other %
<b>Non-interest Income</b>							
Service charges on deposit accounts	\$ 75.2	\$ 81.3	\$ (6.0)	(7)%	\$ —	\$ (6.0)	(7)%
Brokerage and insurance income	31.2	30.3	0.9	3	—	0.9	3
Trust services	27.8	35.2	(7.4)	(21)	—	(7.4)	(21)
Electronic banking	22.8	21.9	0.9	4	—	0.9	4
Bank owned life insurance income	13.6	13.3	0.3	2	—	0.3	2
Automobile operating lease income	13.2	2.7	10.5	NM	—	10.5	NM
Mortgage banking income (loss)	(6.7)	3.7	(10.4)	NM	(10.3) (1)	(0.1)	(4)
Securities gains (losses)	(127.1)	(11.6)	(115.5)	NM	(115.5) (2)	—	0
Other income	17.1	(6.2)	23.2	NM	34.1 (3)	(10.9)	NM
<b>Total non-interest income</b>	<b>\$ 67.1</b>	<b>\$ 170.6</b>	<b>\$ (103.5)</b>	<b>(61)%</b>	<b>\$ (91.8)</b>	<b>\$ (11.7)</b>	<b>(7)%</b>

(1) Net impact of MSR hedging			
MSR valuation adjustment	\$ (63.4)	\$ (21.2)	\$ (42.1)
Net trading (losses) gains	41.3	9.5	31.8
Impact to non interest income	(22.1)	(11.8)	(10.3)
Net interest income impact	9.5	3.2	6.3
Net impact of MSR hedging	\$ (12.6)	\$ (8.6)	\$ (4.0)
(2) Securities gains (losses)			
	\$ (127.1)	\$ (11.6)	\$ (115.5)
(3) Other income			
Equity investment gains (losses)	\$ (2.0)	\$ (9.4)	\$ 7.4
Loss on loans held for sale	—	(34.0)	34.0
Franklin swap losses	(7.3)	—	(7.3)
Impact to non interest income	\$ (9.3)	\$ (43.4)	\$ 34.1



The \$103.5 million decrease in total non-interest income reflected the \$91.8 million negative impact in the current quarter from significant items(see *Significant Item discussion*), as well as a 7% decline in the remaining components of non-interest income. The \$10.9 million decline in other income reflected lower capital markets income.

## Non-interest Expense

### 2008 Fourth Quarter versus 2008 Third Quarter

Non-interest expense increased \$51.1 million, or 15%, from the 2008 third quarter.

**Table 8 – Non-interest Expense – 4Q08 vs. 3Q08**

(in millions)	Fourth Quarter 2008	Third Quarter 2008	Change		Significant Items	Change Attributable to	
			Amount	%		Amount	%
<b>Non-interest Expense</b>							
Personnel costs	\$ 196.8	\$ 184.8	\$ 12.0	6%	\$ —	\$ 12.0	6%
Outside data processing and other services	31.2	32.4	(1.2)	(4)	—	(1.2)	(4)
Net occupancy	23.0	25.2	(2.2)	(9)	—	(2.2)	(9)
Equipment	22.3	22.1	0.2	1	—	0.2	1
Amortization of intangibles	19.2	19.5	(0.3)	(1)	—	(0.3)	(1)
Professional services	17.4	13.4	4.0	30	—	4.0	30
Marketing	9.4	7.0	2.3	33	—	2.3	33
Automobile operating lease expense	10.5	9.1	1.4	15	—	1.4	15
Telecommunications	5.9	6.0	(0.1)	(2)	—	(0.1)	(2)
Printing and supplies	4.2	4.3	(0.1)	(3)	—	(0.1)	(3)
Other expense	50.2	15.1	35.1	NM	16.8 (1)	18.3	NM
<b>Total non-interest expense</b>	<b>\$ 390.1</b>	<b>\$ 339.0</b>	<b>\$ 51.1</b>	<b>15%</b>	<b>\$ 16.8</b>	<b>\$ 34.3</b>	<b>10%</b>

#### (1) Other expense

Debt extinguishment loss (gain)	\$ —	\$ (21.4)	\$ 21.4
VISA indemnification	(4.6)	—	(4.6)
Impact to non interest expense	\$ (4.6)	\$ (21.4)	\$ 16.8

Of the \$51.1 million increase, \$16.8 million represented the impact of significant items(see *Significant Item discussion*). The remaining \$34.3 million, or 10%, increase reflected:

- \$18.3 million increase in other expense, reflecting a \$7.4 million increase in automobile lease residual losses due to continued weakening in used car prices, as well as a \$5.4 million increase in FDIC insurance expense as we depleted our one-time credit, previously being used to offset these insurance expenses.
- \$12.0 million, or 6%, increase in personnel costs, reflecting the seasonal pension

settlement catch up, as well as severance and non-executive benefit accruals.

- \$4.0 million, or 30%, increase in professional services, reflecting an increase in legal fees associated with litigation and collection expenses.
- \$2.3 million, or 33%, increase in marketing costs.

Partially offset by:

- \$2.2 million, or 9%, decline in net occupancy expense.

***2008 Fourth Quarter versus 2007 Fourth Quarter***

Non-interest expense decreased \$49.5 million, or 11%, from the year-ago quarter.

***Table 9 – Non-interest Expense – 4Q08 vs. 4Q07***

<i>(in millions)</i>	Fourth Quarter		Change		Change Attributable to			
	2008	2007	Amount	%	Significant Items	Mrg. Rstrct. Costs	Other Amount	Other % (4)
<b>Non-interest Expense</b>								
Personnel costs	\$196.8	\$214.9	\$(18.1)	(8)%	\$ —	\$ (22.8)	\$ 4.7	2%
Outside data processing and other services	31.2	39.1	(7.9)	(20)	—	(7.0)	(0.9)	(3)
Net occupancy	23.0	26.7	(3.7)	(14)	—	(1.2)	(2.5)	(10)
Equipment	22.3	22.8	(0.5)	(2)	—	(0.2)	(0.3)	(1)
Amortization of intangibles	19.2	20.2	(1.0)	(5)	—	—	(1.0)	(5)
Professional services	17.4	14.5	3.0	20	—	(3.4)	6.4	58
Marketing	9.4	16.2	(6.8)	(42)	—	(6.9)	0.1	1
Automobile operating lease expense	10.5	1.9	8.6	NM	—	—	8.6	NM
Telecommunications	5.9	8.5	(2.6)	(31)	—	(1.0)	(1.7)	(22)
Printing and supplies	4.2	6.6	(2.4)	(37)	—	(1.0)	(1.4)	(25)
Other expense	50.2	68.2	(18.0)	(26)	(29.4) (1)	(0.9)	12.3	18
<b>Total non-interest expense</b>	<b>\$390.1</b>	<b>\$439.6</b>	<b>\$(49.5)</b>	<b>(11)%</b>	<b>\$(29.4)</b>	<b>\$ (44.4)</b>	<b>\$24.4</b>	<b>6%</b>

(1) VISA indemnification \$ (4.6) \$ 24.9 \$(29.4)

Of the \$49.5 million decline, \$44.4 million represented Sky Financial merger/restructuring costs in the year-ago quarter with \$29.4 million from significant items(see *Significant Item discussion*). The remaining \$24.4 million, or 6%, increase primarily reflected a \$12.3 million, or 18%, increase in other expense due to higher automobile lease residual losses, corporate insurance expense, and FDIC insurance premiums.

**Income Taxes**

The provision for income taxes in the 2008 fourth quarter was a benefit of \$251.9 million. For the full year, the provision for income taxes was a benefit of \$182.2 million. The effective tax rate for the 2008 fourth quarter was a tax benefit of 37.6%.

## Credit Quality

Credit quality performance in the 2008 fourth quarter was negatively impacted by the Franklin relationship actions (see *Franklin Credit Management Relationship Actions*), as well as accelerated economic weakness in our Midwest markets. These economic factors influenced the performance of net charge-offs (NCOs) and nonaccrual loans (NALs), as well as an expected commensurate significant increase in the provision for credit losses (see *Provision for Credit Losses discussion*) that significantly increased the absolute and relative levels of our allowance for credit losses (ACL).

### Net Charge-Offs

Total net charge-offs for the 2008 fourth quarter were \$560.6 million, or an annualized 5.41% of average total loans and leases. This was up significantly from total net charge-offs in the 2008 third quarter of \$83.8 million, or an annualized 0.82%. Fourth quarter net charge-offs in the year-ago quarter were \$377.9 million, or an annualized 3.77%. The 2008 fourth quarter, as well as the year-ago quarter, included Franklin relationship-related net charge-offs of \$423.3 million and \$308.5 million, respectively.

Total commercial net charge-offs for the 2008 fourth quarter were \$511.8 million, or an annualized 8.54% of related loans, up from \$40.6 million, or an annualized 0.69% in the 2008 third quarter. Total commercial net charge-offs in the year-ago quarter were \$344.6 million, or an annualized 6.18%. Franklin relationship-related net charge-offs in the current and year-ago quarter were \$423.3 million and \$308.5 million, respectively. Non-Franklin C&I net charge-offs in the 2008 fourth quarter were \$50.2 million, or an annualized 1.58%, of related loans. This compared with \$29.6 million, or an annualized 0.95%, in the 2008 third quarter. The current quarter's non-Franklin C&I net charge-offs reflected the impact of two relationships totaling \$11.5 million, with the rest of the increase spread among smaller loans across the portfolio. The two larger relationships, and the majority of the rest of the charge-offs, had been included in our previous full-year net charge-off forecast. The increase compared with the third quarter was consistent with our view of the deteriorating economic situation.

Current quarter CRE net charge-offs were \$38.4 million, or an annualized 1.50%, up from \$11.0 million, or an annualized 0.45% in the prior quarter. The fourth quarter losses were centered in the single family homebuilder portfolio, spread across the footprint. There was a \$5.2 million loss associated with the retail center located in Indianapolis we have discussed in prior quarters.

Total consumer net charge-offs in the current quarter were \$48.8 million, or an annualized 1.12% of related loans, up from \$43.1 million, or an annualized 0.98% in the third quarter, and from \$33.3 million, or an annualized 0.75%, in the year-ago quarter.

Automobile loan and lease net charge-offs were \$18.6 million, or an annualized 1.64% in the current quarter, up from 1.15% in the prior period and 0.96% in the year-ago period. Net charge-offs for automobile loans were an annualized 1.53% in the current quarter, up from 1.02% in the third quarter, with net-charge-offs for automobile leases also increasing to an annualized 2.31%

from 1.84%. Both automobile loan and automobile lease net charge-offs continued to be negatively impacted by declines in used car prices, with automobile lease net charge-off rates also being negatively impacted by a portfolio that is in a run-off mode. Although we anticipate that automobile loan and lease net charge-offs will remain under pressure due to continued economic weakness in our markets, we believe that our focus on prime borrowers over the last several years, and in particular our move to super prime originations in 2008, will continue to result in better performance relative to other peer bank automobile portfolios.

Home equity net charge-offs in the 2008 fourth quarter were \$19.2 million, or an annualized 1.02%, up from an annualized 0.85% in the prior quarter, and from an annualized 0.67%, in the year-ago quarter. This portfolio continued to be negatively impacted by the general economic and housing market slowdown. The impact was evident across our footprint, particularly so in our Michigan markets. Given that we have no exposure to the very volatile West Coast and minimal exposure to Florida markets, as less than 10% of the portfolio was originated via the broker channel, and our conservative assessment of the borrower's ability to repay at the time of underwriting, we continue to believe our home equity net charge-off experience will compare very favorably relative to the industry.

Residential mortgage net charge-offs were \$7.3 million, or an annualized 0.62% of related average balances. This was up from an annualized 0.56% in the prior quarter and from 0.25% in the year-ago quarter. The residential portfolio is subject to the regional economic and housing related pressures, and we expect to see additional stress in our markets in future periods. Our portfolio performance will continue to be positively impacted by our origination strategy that specifically excluded the more exotic mortgage structures. In addition, loss mitigation strategies have been in place for over a year and are helping to successfully address risks in our ARM portfolio.

#### Nonaccrual Loans and Non-performing Assets

Nonaccrual loans (NALs) were \$1,502.1 million at December 31, 2008, and represented 3.66% of total loans and leases. This was significantly higher than \$585.9 million, or 1.42%, at September 30, 2008, and \$319.8 million, or 0.80%, at the end of the year-ago period. Of the \$916.2 million increase in NALs from the end of the prior quarter, \$650.2 million were related to the Franklin relationship (*see Franklin Credit Management Relationship Actions*), \$146.9 million related to a 49% increase in CRE NALs and a \$13.8 million, or 16%, increase in residential mortgage NALs. In contrast, home equity NALs declined \$2.9 million, or 10%.

Non-performing assets (NPAs), which include NALs, were \$1,636.6 million at December 31, 2008. This was significantly higher than \$675.3 million at September 30, 2008, and up from \$472.9 million at the end of the year-ago period. The \$961.3 million increase in NPAs from the end of the prior quarter reflected the \$916.2 million increase in NALs. The entire \$650.2 million Franklin relationship was placed on nonaccrual status.

The over 90-day delinquent, but still accruing, ratio was 0.50% at December 31, 2008, up from 0.46% at September 30, 2008, and from 0.35% at the end of the year-ago quarter. The 4 basis point increase in the 90-day delinquent ratio from September 30, 2008, reflected a 16 basis point increase in the total consumer loan 90-day delinquent ratio to 0.77% from 0.61%, as the

total commercial loan 90-day delinquent ratio declined to 0.30% from 0.35%.

Allowances for Credit Losses (ACL)

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, 2008, the ALLL was \$900.2 million, up from \$720.7 million at September 30, 2008, and from \$578.4 million a year ago. Expressed as a percent of period-end loans and leases, the ALLL ratio at December 31, 2008, was 2.19%, up from 1.75% at September 30, 2008, and from 1.44% a year ago. The \$179.5 million increase from the end of the prior quarter primarily reflected the impact of the continued economic weakness across our Midwest markets, as the reserves associated with the Franklin relationship accounted for only \$14.7 million of the increase. On an absolute basis the Franklin relationship reserve increased \$14.7 million (from \$115.3 million to \$130.0 million), as a percent of outstanding loans, the reserve increased to 20% from 11% at the end of the prior quarter (see *Franklin Credit Management Relationship Actions*).

Table 10 shows the change in the ALLL ratio and each reserve component for the 2008 fourth and third quarters and 2007 fourth quarter.

**Table 10 – Components of ALLL as Percent of Total Loans and Leases**

	4Q08	3Q08	4Q07	4Q08 change from	
				3Q08	4Q07
Transaction reserve <sup>(1)</sup>	1.91%	1.54%	1.27%	0.37%	0.64%
Economic reserve	0.28	0.21	0.17	0.07	0.11
Total ALLL	2.19%	1.75%	1.44%	0.44%	0.75%

(1) Includes specific reserve

The ALLL as a percent of NALs was 60% at December 31, 2008, down from 123% at September 30, 2008, and from 181% a year ago. At December 31, 2008, the AULC was \$44.1 million, down from \$61.6 million at September 30, 2008, and from \$66.5 million at the end of the year-ago quarter.

On a combined basis, the ACL as a percent of total loans and leases at December 31, 2008, was 2.30%, up from 1.90% at September 30, 2008, and from 1.61% a year ago. The ACL as a percent of NALs was 63% at December 31, 2008, down from 134% at September 30, 2008, and from 202% a year ago.

## **Capital**

At December 31, 2008, the regulatory Tier 1 and Total risk-based capital ratios were 10.76% and 13.96%, respectively, up from 8.80% and 12.03%, respectively, at September 30, 2008. Both ratios are well above the regulatory “well capitalized” thresholds of 6.0% and 10.0%, respectively. The “well capitalized” level is the highest regulatory capital designation. The tangible equity to asset ratio at December 31, 2008, was 7.66%, up from 5.98% at the end of the prior quarter. These increases reflected the benefit of the \$1.4 billion preferred stock we issued to the U.S. Treasury as we were approved to participate in the Trouble Asset Relief Program’s Capital Purchase Plan (see Troubled Asset Relief Program Capital Purchase Plan). In contrast, and reflecting the net loss for the quarter, the tangible common equity ratio declined to 3.98% at December 31, 2008, from 4.88% at the end of September 30, 2008.

## **2009 EXPECTATIONS**

Commenting on 2009 expectations Steinour noted, “We expect 2009 will be a challenging year as we do not expect to see any turnaround in the underlying economy through at least the end of this year. We expect to see continued levels of elevated charge-offs and provision expense. The net interest margin is likely to remain under modest pressure. We do expect to continue to grow our core deposits. Fee income will be challenged and we expect that higher collection expense levels will remain throughout the year.”

“Within this type of environment, right-sizing the level of expense is critical. That is why we have launched an expense reduction initiative. What direction or magnitude this will take is not known at this time. But we will be looking in every area, and nothing is off limits,” he concluded.

## **Conference Call / Webcast Information**

Huntington’s senior management will host an earnings conference call on Thursday, January 22, 2009, at 1:00 p.m. (Eastern Daylight Time). The call may be accessed via a live Internet webcast at [www.huntington-ir.com](http://www.huntington-ir.com) or through a dial-in telephone number at 800-223-1238; conference ID 77389849. Slides will be available at [www.huntington-ir.com](http://www.huntington-ir.com) just prior to 1:00 p.m. (Eastern Daylight Time) on January 22, 2009, for review during the call. A replay of the webcast will be archived in the Investor Relations section of Huntington’s web site [www.huntington.com](http://www.huntington.com). A telephone replay will be available two hours after the completion of the call through January 31, 2009, at 800-642-1687; conference ID 77389849.

## **Forward-looking Statement**

This press release contains certain forward-looking statements, including certain plans, expectations, goals, projections, and statements, 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: (1) deterioration in the loan portfolio could be worse than expected due to a number of factors such as the underlying value of the collateral could prove less valuable than otherwise assumed and assumed cash flows may be worse than expected; (2) changes in economic conditions; (3) movements in interest rates; (4) competitive pressures on product pricing and services; (5) success and timing of other business strategies; (6) the nature, extent, and timing of governmental actions and reforms, including the rules of participation for the Troubled Asset Relief Program voluntary Capital Purchase Plan under the Emergency Economic Stabilization Act of 2008, which may be changed unilaterally and retroactively by legislative or regulatory actions; and (7) extended disruption of vital infrastructure. Additional factors that could cause results to differ materially from those described above can be found in Huntington's 2007 Annual Report on Form 10-K, and documents subsequently filed by Huntington with the Securities and Exchange Commission. All forward-looking statements included in this release are based on information available at the time of the release. Huntington assumes no obligation to update any forward-looking statement.

## **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, the Quarterly Financial Review supplement to this earnings release, or the 2008 fourth quarter earnings conference call slides, which can be found on Huntington's website at [huntington-ir.com](http://huntington-ir.com).

### Significant Items

Certain components of the Income Statement are naturally subject to more volatility than others. As a result, analysts/investors may view such items differently in their assessment of performance compared with their expectations and/or any implications resulting from them on their assessment of future performance trends. It is a general practice of analysts/investors to try and determine their perception of what "underlying" or "core" earnings performance is in any given reporting period, as this typically forms the basis for their estimation of performance in future periods.

Therefore, Management believes the disclosure of certain "Significant Items" in current and prior period results aids analysts/investors in better understanding corporate performance so that they can ascertain for themselves what, if any, items they may wish to include/exclude from their analysis of performance; i.e., within the context of determining how that performance differed from their expectations, as well as how, if at all, to adjust their estimates of future performance accordingly.

To this end, Management has adopted a practice of listing as "Significant Items" in its external disclosure documents (e.g., earnings press releases, investor presentations, Forms 10-Q and 10-K) individual and/or particularly volatile items that impact the current period results by \$0.01 per share or more. *(The one exception is the provision for credit losses discussed below).* Such "Significant Items" generally fall within one of two categories: timing differences and other items.

### Timing Differences

Part of the company's regular business activities are by their nature volatile; e.g. capital markets income, gains and losses on the sale of loans, etc. While such items may generally be expected to occur within a full-year reporting period, they may vary significantly from period to period. Such items are also typically a component of an

Income Statement line item and not, therefore, readily discernable. By specifically disclosing such items, analysts/investors can better assess how, if at all, to adjust their estimates of future performance.

#### Other Items

From time to time, an event or transaction might significantly impact revenues, expenses, or taxes in a particular reporting period that are judged to be one-time, short-term in nature, and/or materially outside typically expected performance. Examples would be (1) merger costs as they typically impact expenses for only a few quarters during the period of transition; e.g., restructuring charges, asset valuation adjustments, etc.; (2) changes in an accounting principle; (3) one-time tax assessments/refunds; (4) a large gain/loss on the sale of an asset; (5) outsized commercial loan net charge-offs related to fraud; etc. By disclosing such items, analysts/investors can better assess how, if at all, to adjust their estimates of future performance.

#### Provision for Credit Losses

While the provision for credit losses may vary significantly between periods, Management typically excludes it from the list of “Significant Items”, unless in Management’s view, there is a significant specific credit(s), which is causing distortion in the period.

Provision expense is always an assumption in analyst/investor expectations of earnings and there is apparent agreement among them that provision expense is included in their definition of “underlying” or “core” earnings unlike “timing differences” or “other items”. In addition, provision expense is an individual Income Statement line item so its value is easily known and, except in very rare situations, the amount in any reporting period always exceeds \$0.01 per share. In addition, the factors influencing the level of provision expense receive detailed additional disclosure and analysis so that analysts/investors have information readily available to understand the underlying factors that result in the reported provision expense amount.

In addition, provision expense trends usually increase/decrease in a somewhat orderly pattern in conjunction with credit quality cycle changes; i.e., as credit quality improves provision expense generally declines and vice versa. While they may have differing views regarding magnitude and/or trends in provision expense, every analyst and most investors incorporate a provision expense estimate in their financial performance estimates.

#### Other Exclusions

“Significant Items” for any particular period are not intended to be a complete list of items that may significantly impact future periods. A number of factors, including those described in Huntington’s 2007 Annual Report on Form 10-K and other factors described from time to time in Huntington’s other filings with the Securities and Exchange Commission, could significantly impact future periods.

#### 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 and deposit 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 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 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 disclosed separately, with this then being the amount used to calculate the earnings per share equivalent.

#### NM or nm

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

#### **About Huntington**

Huntington Bancshares Incorporated is a \$54 billion regional bank holding company headquartered in Columbus, Ohio. Huntington has more than 142 years of serving the financial needs of its customers. Huntington's banking subsidiary, The Huntington National Bank, provides innovative retail and commercial financial products and services through over 600 regional banking offices in Indiana, Kentucky, Michigan, Ohio, Pennsylvania, and West Virginia. Huntington also offers retail and commercial financial services online at [huntington.com](http://huntington.com); through its technologically advanced, 24-hour telephone bank; and through its network of almost 1,400 ATMs. Selected financial service activities are also conducted in other states including: Auto Finance & Dealer Services offices in Arizona, Florida, Tennessee, Texas, and Virginia; Private Financial and Capital Markets Group offices in Florida; and Mortgage Banking offices in Maryland and New Jersey. Huntington Insurance offers retail and commercial insurance agency services in Indiana, Ohio, Michigan, Pennsylvania, and West Virginia. International banking services are made available through the headquarters office in Columbus, a limited purpose office located in the Cayman Islands, and another located in Hong Kong.

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**HUNTINGTON BANCSHARES INCORPORATED**
**Quarterly Key Statistics (1)**
*(Unaudited)*

<i>(in thousands, except per share amounts)</i>	2008		2007	Percent Changes vs.	
	Fourth	Third	Fourth	3Q08	4Q07
Net interest income	\$ 376,365	\$ 388,636	\$ 382,933	(3.2)%	(1.7)%
Provision for credit losses	722,608	125,392	512,082	N.M.	41.1
Non-interest income	67,099	167,857	170,557	(60.0)	(60.7)
Non-interest expense	390,094	338,996	439,552	15.1	(11.3)
(Loss) Income before income taxes	(669,238)	92,105	(398,144)	N.M.	68.1
(Benefit) Provision for income taxes	(251,949)	17,042	(158,864)	N.M.	58.6
Net (Loss) Income	\$ (417,289)	\$ 75,063	\$ (239,280)	N.M.%	74.4%
Dividends declared on preferred shares	23,158	12,091	—	91.5	—
Net (loss) income applicable to common shares	\$ (440,447)	\$ 62,972	\$ (239,280)	N.M.%	84.1
Net (loss) income per common share — diluted	\$ (1.20)	\$ 0.17	\$ (0.65)	N.M.%	84.6%
Cash dividends declared per common share	0.1325	0.1325	0.265	—	(50.0)
Book value per common share at end of period	14.53	15.86	16.24	(8.4)	(10.5)
Tangible book value per common share at end of period	5.55	6.84	7.13	(18.9)	(22.2)
Average common shares — basic	366,054	366,124	366,119	—	—
Average common shares — diluted (2)	366,054	367,361	366,119	(0.4)	—
Return on average assets	(3.04)%	0.55	(1.74)%		
Return on average shareholders' equity	(23.7)	4.7	(15.3)		
Return on average tangible shareholders' equity (3)	(43.2)	11.6	(30.7)		
Net interest margin (4)	3.18	3.29	3.26		
Efficiency ratio (5)	64.6	50.3	73.5		
Effective tax rate	(37.6)	18.5	(39.9)		
Average loans and leases	\$ 41,436,810	\$ 41,004,234	\$ 40,109,361	1.1	3.3
Average loans and leases — linked quarter annualized growth rate.	4.2%	(0.2)	2.8%		
Average earning assets	\$ 47,575,350	\$ 47,640,822	\$ 47,274,130	(0.1)	0.6
Average total assets	54,607,132	54,660,358	54,480,021	(0.1)	0.2
Average core deposits (6)	31,997,644	31,738,625	31,670,411	0.8	1.0
Average core deposits — linked quarter annualized growth rate (6)	3.3%	4.2	0.4%		
Average shareholders' equity	\$ 7,017,683	\$ 6,321,364	\$ 6,211,206	11.0	13.0
Total assets at end of period	54,311,602	54,660,589	54,697,468	(0.6)	(0.7)
Total shareholders' equity at end of period	7,196,791	6,373,906	5,949,140	12.9	21.0
Net charge-offs (NCOs)	560,620	83,751	377,907	N.M.	48.3
NCOs as a % of average loans and leases	5.41%	0.82	3.77%		
Nonaccrual loans and leases (NALs)	\$ 1,502,147	\$ 585,941	\$ 319,771	N.M.	N.M.
NAL ratio	3.66%	1.42	0.80%		
Non-performing assets (NPAs) (7)	1,636,646	675,319	472,902	N.M.	N.M.
NPA ratio	3.97%	1.64	1.18%		
Allowance for loan and lease losses (ALLL) as a % of total loans and leases at the end of period	2.19	1.75	1.44		
ALLL plus allowance for unfunded loan commitments and letters of credit as a % of total loans and leases at the end of period	2.30	1.90	1.61		
ALLL as a % of NALs	60	123	181		
ALLL as a % of NPAs	55	107	122		
Tier 1 risk-based capital ratio (8)	10.76	8.80	7.51		
Total risk-based capital ratio (8)	13.96	12.03	10.85		
Tier 1 leverage ratio (8)	9.82	7.99	6.77		
Average equity / assets	12.85	11.56	11.40		
Tangible equity / assets (9)	7.66	5.98	5.08		
Tangible common equity / assets	3.98	4.88	5.08		

N.M., not a meaningful value.

(1) Comparisons for presented periods are impacted by a number of factors. Refer to "Significant Items".

(2) For the three-month periods ended December 31, 2008, and September 30, 2008, the impact of the convertible preferred stock issued in April of 2008 was excluded from the diluted share calculation. It was excluded because the result would have been higher than basic earnings per common share (anti-dilutive) for the period.

(3) Net (loss) income excluding expense for amortization of intangibles for the period divided by average tangible shareholders' equity. Average tangible shareholders' equity equals average total stockholders' equity less average intangible assets and goodwill. Expense for amortization of intangibles and average intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.

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

(5) Non-interest expense less amortization of intangibles (\$19.2 million in 4Q 2008, \$19.5 million in 3Q 2008, and \$20.2 million in 4Q 2007) divided by the sum of FTE net interest income and non-interest income excluding securities gains (losses).

(6) Includes non-interest bearing and interest bearing demand deposits, money market deposits, savings and other domestic time deposits, and core certificates of deposit.

(7) Beginning in the 2008 fourth quarter, nonperforming assets (NPAs) no longer include accruing restructured loans.

(8) December 31, 2008 figures are estimated. Based on an interim decision by the banking agencies on December 14, 2006, Huntington has excluded the impact of adopting Statement 158 from the regulatory capital calculations.

(9) At end of period. Tangible equity (total equity less goodwill and other intangible assets) divided by tangible assets (total assets less goodwill and other intangible assets). Other intangible assets are net of deferred tax.

**HUNTINGTON BANCSHARES INCORPORATED**
**Year to Date Key Statistics (1)**
*(Unaudited)*

<i>(in thousands, except per share amounts)</i>	Year Ended December 31,		Change	
	2008	2007	Amount	Percent
Net interest income	\$ 1,531,691	\$ 1,301,512	\$ 230,179	17.7%
Provision for credit losses	1,057,463	643,628	413,835	64.3
Non-interest income	707,138	676,603	30,535	4.5
Non-interest expense	1,477,374	1,311,844	165,530	12.6
(Loss) Income before income taxes	(296,008)	22,643	(318,651)	N.M.
Benefit for income taxes	(182,202)	(52,526)	(129,676)	N.M.
<b>Net (Loss) Income</b>	<b>\$ (113,806)</b>	<b>\$ 75,169</b>	<b>\$ (188,975)</b>	<b>N.M.%</b>
Dividends declared on preferred shares	46,400	—	46,400	—
<b>Net (loss) income applicable to common shares</b>	<b>\$ (160,206)</b>	<b>\$ 75,169</b>	<b>\$ (235,375)</b>	<b>N.M.%</b>
Net (loss) income per common share — diluted	\$ (0.44)	\$ 0.25	\$ (0.69)	N.M.%
Cash dividends declared per common share	0.6625	1.06	(0.40)	(37.5)
Average common shares — basic	366,155	300,908	65,247	21.7
Average common shares — diluted (2)	366,155	303,455	62,700	20.7
Return on average assets	(0.21)%	0.17		
Return on average shareholders' equity	(1.8)	1.6		
Return on average tangible shareholders' equity (3)	(2.1)	3.9		
Net interest margin (4)	3.25	3.36		
Efficiency ratio (5)	57.0	62.5		
Effective tax rate	N.M.	N.M.		
Average loans and leases	\$40,959,799	\$33,201,442	\$ 7,758,357	23.4
Average earning assets	47,786,991	39,355,933	8,431,058	21.4
Average total assets	54,921,419	44,711,676	10,209,743	22.8
Average core deposits (6)	31,666,585	25,797,413	5,869,172	22.8
Average shareholders' equity	6,393,788	4,631,912	1,761,876	38.0
Net charge-offs (NCOs)	758,067	477,631	280,436	58.7
NCOs as a % of average loans and leases	1.85%	1.44		

N.M., not a meaningful value.

- (1) Comparisons for presented periods are impacted by a number of factors. Refer to "Significant Items."
- (2) For the year ended December 31, 2008, the impact of the convertible preferred stock issued in April of 2008 was excluded from the diluted share calculation. It was excluded because the result would have been higher than basic earnings per common share (anti-dilutive) for the period.
- (3) Net income less expense excluding amortization of intangibles for the period divided by average tangible shareholders' equity. Average tangible shareholders' equity equals average total shareholders' equity less average intangible assets and goodwill. Expense for amortization of intangibles and average intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.
- (4) On a fully taxable equivalent (FTE) basis assuming a 35% tax rate.
- (5) Non-interest expense less amortization of intangibles (\$76.9 million in 2008 and \$45.2 million in 2007) divided by the sum of FTE net interest income and non-interest income excluding securities gains (losses).
- (6) Includes non-interest bearing and interest bearing demand deposits, money market deposits, savings and other domestic time deposits, and core certificates of deposit.

**HUNTINGTON BANCSHARES INCORPORATED**  
**Quarterly Financial Review**  
**December 2008**

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**Notes:**

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.

This document reflects the post-Sky merger organization structure effective on July 1, 2007. Accordingly, the balances presented include the impact of the acquisition from that date.

**Huntington Bancshares Incorporated**  
**Consolidated Balance Sheets**

(in thousands, except number of shares)	2008		2007	Change December '08 vs '07	
	December 31, (Unaudited)	September 30, (Unaudited)	December 31,	Amount	Percent
<b>Assets</b>					
Cash and due from banks	\$ 806,693	\$ 901,239	\$ 1,416,597	\$ (609,904)	(43.1)%
Federal funds sold and securities purchased under resale agreements	37,975	269,519	592,649	(554,674)	(93.6)
Interest bearing deposits in banks	292,561	298,297	340,090	(47,529)	(14.0)
Trading account securities	88,677	998,249	1,032,745	(944,068)	(91.4)
Loans held for sale	390,438	286,751	494,379	(103,941)	(21.0)
Investment securities	4,384,457	4,565,064	4,500,171	(115,714)	(2.6)
Loans and leases (1)	41,092,165	41,191,723	40,054,338	1,037,827	2.6
Allowance for loan and lease losses	(900,227)	(720,738)	(578,442)	(321,785)	55.6
Net loans and leases	40,191,938	40,470,985	39,475,896	716,042	1.8
Bank owned life insurance	1,364,466	1,353,400	1,313,281	51,185	3.9
Premises and equipment	519,500	527,798	557,565	(38,065)	(6.8)
Goodwill	3,054,985	3,056,386	3,059,333	(4,348)	(0.1)
Other intangible assets	356,703	375,914	427,970	(71,267)	(16.7)
Accrued income and other assets	2,823,209	1,556,987	1,486,792	1,336,417	89.9
<b>Total Assets</b>	<b>\$ 54,311,602</b>	<b>\$ 54,660,589</b>	<b>\$ 54,697,468</b>	<b>\$ (385,866)</b>	<b>(0.7)%</b>
<b>Liabilities and Shareholders' Equity Liabilities</b>					
Deposits (2)	\$ 37,943,200	\$ 37,569,056	\$ 37,742,921	\$ 200,279	0.5%
Short-term borrowings	1,309,157	1,974,368	2,843,638	(1,534,481)	(54.0)
Federal Home Loan Bank advances	2,588,976	3,483,001	3,083,555	(494,579)	(16.0)
Other long-term debt	2,330,763	2,497,002	1,937,078	393,685	20.3
Subordinated notes	1,939,052	1,864,728	1,934,276	4,776	0.2
Accrued expenses and other liabilities	1,003,663	898,528	1,206,860	(203,197)	(16.8)
<b>Total Liabilities</b>	<b>47,114,811</b>	<b>48,286,683</b>	<b>48,748,328</b>	<b>(1,633,517)</b>	<b>(3.4)</b>
<b>Shareholders' equity</b>					
Preferred stock — authorized 6,617,808 shares-					
5.00% Series B Non-voting, Cumulative Preferred Stock, par value of \$0.01 and liquidation value per share of \$1,000; 1,398,071 shares issued and outstanding					
	1,308,667	—	—	1,308,667	—
8.50% Series A Non-cumulative Perpetual Convertible Preferred Stock, par value and liquidation value per share of \$1,000; 569,000 shares issued and outstanding.					
	569,000	569,000	—	569,000	—
Common stock -					
Par value of \$0.01 and authorized 1,000,000,000 shares; issued 366,972,250, 366,970,661, and 367,000,815 shares, respectively; outstanding 366,057,669, 366,068,762, and 366,261,676 shares respectively.					
	3,670	3,670	3,670	—	—
Capital surplus	5,322,428	5,228,381	5,237,783	84,645	1.6
Less 914,581, 901,899 and 739,139 treasury shares at cost, respectively	(15,530)	(15,501)	(14,391)	(1,139)	7.9
Accumulated other comprehensive loss	(357,043)	(266,677)	(49,611)	(307,432)	N.M.
Retained earnings	365,599	855,033	771,689	(406,090)	(52.6)
<b>Total Shareholders' Equity</b>	<b>7,196,791</b>	<b>6,373,906</b>	<b>5,949,140</b>	<b>1,247,651</b>	<b>21.0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 54,311,602</b>	<b>\$ 54,660,589</b>	<b>\$ 54,697,468</b>	<b>\$ (385,866)</b>	<b>(0.7)%</b>

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**  
**Loans and Leases Composition**

(in thousands)	2008				2007		Change December '08 vs '07	
	December 31, (Unaudited)		September 30, (Unaudited)		December 31,		Amount	Percent
<b>By Type</b>								
Commercial:								
Commercial and industrial	\$13,540,841	33.0%	\$13,638,066	33.1%	\$13,125,565	32.8%	\$ 415,276	3.2%
Commercial real estate:								
Construction	2,080,328	5.1	2,111,027	5.1	1,961,839	4.9	118,489	6.0
Commercial	8,017,882	19.5	7,796,133	18.9	7,221,213	18.0	796,669	11.0
Commercial real estate	10,098,210	24.6	9,907,160	24.0	9,183,052	22.9	915,158	10.0
<b>Total commercial</b>	<b>23,639,051</b>	<b>57.6</b>	<b>23,545,226</b>	<b>57.1</b>	<b>22,308,617</b>	<b>55.7</b>	<b>1,330,434</b>	<b>6.0</b>
Consumer:								
Automobile loans	3,900,893	9.5	3,917,576	9.5	3,114,029	7.8	786,864	25.3
Automobile leases	563,417	1.4	698,450	1.7	1,179,505	2.9	(616,088)	(52.2)
Home equity	7,556,428	18.4	7,496,875	18.2	7,290,063	18.2	266,365	3.7
Residential mortgage	4,761,384	11.6	4,854,260	11.8	5,447,126	13.6	(685,742)	(12.6)
Other loans	670,992	1.5	679,336	1.7	714,998	1.8	(44,006)	(6.2)
<b>Total consumer</b>	<b>17,453,114</b>	<b>42.4</b>	<b>17,646,497</b>	<b>42.9</b>	<b>17,745,721</b>	<b>44.3</b>	<b>(292,607)</b>	<b>(1.6)</b>
<b>Total loans and leases</b>	<b>\$41,092,165</b>	<b>100.0</b>	<b>\$41,191,723</b>	<b>100.0</b>	<b>\$40,054,338</b>	<b>100.0</b>	<b>\$ 1,037,827</b>	<b>2.6</b>
<b>By Business Segment</b>								
Regional Banking:								
Central Ohio	\$ 5,337,814	13.0%	\$ 5,223,789	12.7%	\$ 5,149,503	12.9%	\$ 188,311	3.7%
Northwest Ohio	2,122,673	5.2	2,179,160	5.3	2,280,648	5.7	(157,975)	(6.9)
Greater Cleveland	3,308,503	8.1	3,301,249	8.0	3,104,336	7.8	204,167	6.6
Greater Akron/Canton	2,627,732	6.4	2,598,991	6.3	2,477,467	6.2	150,265	6.1
Southern Ohio/Kentucky	3,150,179	7.7	3,021,163	7.3	2,668,073	6.7	482,106	18.1
Mahoning Valley	1,243,997	3.0	1,240,950	3.0	1,274,608	3.2	(30,611)	(2.4)
West Michigan	2,679,929	6.5	2,624,581	6.4	2,478,683	6.2	201,246	8.1
East Michigan	1,800,472	4.4	1,818,433	4.4	1,747,914	4.4	52,558	3.0
Pittsburgh	1,941,733	4.7	2,003,051	4.9	1,859,401	4.6	82,332	4.4
Central Indiana	1,562,470	3.8	1,585,247	3.8	1,421,401	3.5	141,069	9.9
West Virginia	1,325,169	3.2	1,221,503	3.0	1,155,719	2.9	169,450	14.7
Other Regional	4,774,381	11.6	4,771,863	11.6	5,061,767	12.5	(287,386)	(5.7)
<b>Regional Banking</b>	<b>31,875,052</b>	<b>77.6</b>	<b>31,589,980</b>	<b>76.7</b>	<b>30,679,520</b>	<b>76.6</b>	<b>1,195,532</b>	<b>3.9</b>
Auto Finance and Dealer Services	5,955,887	14.5	5,900,223	14.3	5,632,545	14.1	323,342	5.7
Private Financial, Capital Markets, and Insurance Group	2,611,001	6.3	2,606,956	6.3	2,553,872	6.3	57,129	2.2
Treasury / Other	650,225	1.6	1,094,564	2.7	1,188,401	3.0	(538,176)	(45.3)
<b>Total loans and leases</b>	<b>\$41,092,165</b>	<b>100.0%</b>	<b>\$41,191,723</b>	<b>100.0%</b>	<b>\$40,054,338</b>	<b>100.0%</b>	<b>\$ 1,037,827</b>	<b>2.6%</b>

**Huntington Bancshares Incorporated**  
**Deposit Composition**

<i>(in thousands)</i>	2008				2007		Change	
	December 31, <i>(Unaudited)</i>		September 30, <i>(Unaudited)</i>		December 31,		December '08 vs '07	
							Amount	Percent
<b>By Type</b>								
Demand deposits — non-interest bearing	\$ 5,477,439	14.4%	\$ 5,135,164	13.7%	\$ 5,371,747	14.2%	\$ 105,692	2.0%
Demand deposits — interest bearing	4,082,701	10.8	4,052,032	10.8	4,048,873	10.7	33,828	0.8
Money market deposits	5,182,360	13.7	5,565,439	14.8	6,643,242	17.6	(1,460,882)	(22.0)
Savings and other domestic deposits	4,845,506	12.8	4,816,038	12.8	4,968,615	13.2	(123,109)	(2.5)
Core certificates of deposit	12,726,738	33.5	12,156,660	32.4	10,736,146	28.4	1,990,592	18.5
<b>Total core deposits</b>	<b>32,314,744</b>	<b>85.2</b>	<b>31,725,333</b>	<b>84.5</b>	<b>31,768,623</b>	<b>84.1</b>	<b>546,121</b>	<b>1.7</b>
Other domestic deposits of \$100,000 or more	1,540,990	4.1	1,948,899	5.2	1,870,730	5.0	(329,740)	(17.6)
Brokered deposits and negotiable CDs	3,354,461	8.8	2,925,440	7.8	3,376,854	8.9	(22,393)	(0.7)
Deposits in foreign offices	733,005	1.9	969,384	2.5	726,714	2.0	6,291	0.9
<b>Total deposits</b>	<b>\$37,943,200</b>	<b>100.0%</b>	<b>\$37,569,056</b>	<b>100.0%</b>	<b>\$37,742,921</b>	<b>100.0%</b>	<b>\$ 200,279</b>	<b>0.5%</b>
Total core deposits:								
Commercial	\$ 7,757,803	24.0%	\$ 8,007,619	25.2%	\$ 9,017,852	28.4%	\$(1,260,049)	(14.0)%
Personal	24,556,941	76.0	23,717,714	74.8	22,750,771	71.6	1,806,170	7.9
<b>Total core deposits</b>	<b>\$32,314,744</b>	<b>100.0%</b>	<b>\$31,725,333</b>	<b>100.0%</b>	<b>\$31,768,623</b>	<b>100.0%</b>	<b>\$ 546,121</b>	<b>1.7%</b>
<b>By Business Segment</b>								
Regional Banking:								
Central Ohio	\$ 6,192,393	16.3%	\$ 6,136,030	16.3%	\$ 6,319,899	16.7%	\$ (127,506)	(2.0)%
Northwest Ohio	2,602,003	6.9	2,690,720	7.2	2,836,309	7.5	(234,306)	(8.3)
Greater Cleveland	3,170,350	8.4	3,248,385	8.6	3,201,791	8.5	(31,441)	(1.0)
Greater Akron/Canton	3,209,756	8.5	3,270,480	8.7	3,188,682	8.4	21,074	0.7
Southern Ohio/Kentucky	2,664,542	7.0	2,643,955	7.0	2,628,879	7.0	35,663	1.4
Mahoning Valley	2,268,922	6.0	2,263,719	6.0	2,333,794	6.2	(64,872)	(2.8)
West Michigan	2,933,489	7.7	3,021,528	8.0	2,918,709	7.7	14,780	0.5
East Michigan	2,659,385	7.0	2,663,131	7.1	2,444,269	6.5	215,116	8.8
Pittsburgh	2,652,212	7.0	2,749,254	7.3	2,536,007	6.7	116,205	4.6
Central Indiana	1,868,730	4.9	1,902,232	5.1	1,894,940	5.0	(26,210)	(1.4)
West Virginia	1,817,741	4.8	1,723,002	4.6	1,589,520	4.2	228,221	14.4
Other Regional	834,282	2.2	677,616	1.8	732,586	1.9	101,696	13.9
<b>Regional Banking</b>	<b>32,873,805</b>	<b>86.6</b>	<b>32,990,052</b>	<b>87.8</b>	<b>32,625,385</b>	<b>86.4</b>	<b>248,420</b>	<b>0.8</b>
Auto Finance and Dealer Services	66,595	0.2	67,040	0.2	59,783	0.2	6,812	11.4
Private Financial, Capital Markets, and Insurance Group	1,784,747	4.7	1,552,611	4.1	1,638,552	4.3	146,195	8.9
Treasury / Other (1)	3,218,053	8.5	2,959,353	7.9	3,419,201	9.1	(201,148)	(5.9)
<b>Total deposits</b>	<b>\$37,943,200</b>	<b>100.0%</b>	<b>\$37,569,056</b>	<b>100.0%</b>	<b>\$37,742,921</b>	<b>100.0%</b>	<b>\$ 200,279</b>	<b>0.5%</b>

(1) Comprised largely of national market deposits.

**Huntington Bancshares Incorporated**  
**Consolidated Quarterly Average Balance Sheets**  
(Unaudited)

Fully taxable equivalent basis (in millions)	Average Balances					Change 4Q08 vs 4Q07	
	2008					2007	Amount
	Fourth	Third	Second	First	Fourth		
<b>Assets</b>							
Interest bearing deposits in banks	\$ 343	\$ 321	\$ 256	\$ 293	\$ 324	\$ 19	5.9%
Trading account securities	940	992	1,243	1,186	1,122	(182)	(16.2)
Federal funds sold and securities purchased under resale agreements	48	363	566	769	730	(682)	(93.4)
Loans held for sale	329	274	501	565	493	(164)	(33.3)
Investment securities:							
Taxable	3,789	3,975	3,971	3,774	3,807	(18)	(0.5)
Tax-exempt	689	712	717	703	689	—	—
Total investment securities	4,478	4,687	4,688	4,477	4,496	(18)	(0.4)
Loans and leases: (1)							
Commercial:							
Commercial and industrial	13,746	13,629	13,631	13,343	13,270	476	3.6
Commercial real estate:							
Construction	2,103	2,090	2,038	2,014	1,892	211	11.2
Commercial	8,115	7,726	7,563	7,273	7,161	954	13.3
Commercial real estate	10,218	9,816	9,601	9,287	9,053	1,165	12.9
Total commercial	23,964	23,445	23,232	22,630	22,323	1,641	7.4
Consumer:							
Automobile loans	3,899	3,856	3,636	3,309	3,052	847	27.8
Automobile leases	636	768	915	1,090	1,272	(636)	(50.0)
Automobile loans and leases	4,535	4,624	4,551	4,399	4,324	211	4.9
Home equity	7,523	7,453	7,365	7,274	7,297	226	3.1
Residential mortgage	4,737	4,812	5,178	5,351	5,437	(700)	(12.9)
Other loans	678	670	699	713	728	(50)	(6.9)
Total consumer	17,473	17,559	17,793	17,737	17,786	(313)	(1.8)
Total loans and leases	41,437	41,004	41,025	40,367	40,109	1,328	3.3
Allowance for loan and lease losses	(764)	(731)	(654)	(630)	(474)	(290)	(61.2)
Net loans and leases	40,673	40,273	40,371	39,737	39,635	1,038	2.6
Total earning assets	47,575	47,641	48,279	47,657	47,274	301	0.6
Cash and due from banks	928	925	943	1,036	1,098	(170)	(15.5)
Intangible assets	3,421	3,441	3,449	3,472	3,440	(19)	(0.6)
All other assets	3,447	3,384	3,522	3,350	3,142	305	9.7
<b>Total Assets</b>	<b>\$ 54,607</b>	<b>\$ 54,660</b>	<b>\$ 55,539</b>	<b>\$ 54,885</b>	<b>\$ 54,480</b>	<b>\$ 127</b>	<b>0.2%</b>
<b>Liabilities and Shareholders' Equity</b>							
Deposits:							
Demand deposits — non- interest bearing	\$ 5,205	\$ 5,080	\$ 5,061	\$ 5,034	\$ 5,218	\$ (13)	(0.2)%
Demand deposits — interest bearing	3,988	4,005	4,086	3,934	3,929	59	1.5
Money market deposits	5,500	5,860	6,267	6,753	6,845	(1,345)	(19.6)
Savings and other domestic deposits	4,837	4,911	5,047	5,004	5,012	(175)	(3.5)
Core certificates of deposit	12,468	11,883	10,950	10,790	10,666	1,802	16.9
Total core deposits	31,998	31,739	31,411	31,515	31,670	328	1.0
Other domestic deposits of \$100,000 or more	1,682	1,991	2,145	1,989	1,739	(57)	(3.3)
Brokered deposits and negotiable CDs	3,049	3,025	3,361	3,542	3,518	(469)	(13.3)
Deposits in foreign offices	854	1,048	1,110	885	748	106	14.2
Total deposits	37,583	37,803	38,027	37,931	37,675	(92)	(0.2)
Short-term borrowings	1,748	2,131	2,854	2,772	2,489	(741)	(29.8)
Federal Home Loan Bank advances	3,188	3,139	3,412	3,389	3,070	118	3.8
Subordinated notes and other long- term debt	4,252	4,382	3,928	3,814	3,875	377	9.7
Total interest bearing liabilities	41,566	42,375	43,160	42,872	41,891	(325)	(0.8)
All other liabilities	818	884	963	1,104	1,160	(342)	(29.5)
Shareholders' equity	7,018	6,321	6,355	5,875	6,211	807	13.0
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 54,607</b>	<b>\$ 54,660</b>	<b>\$ 55,539</b>	<b>\$ 54,885</b>	<b>\$ 54,480</b>	<b>\$ 127</b>	<b>0.2%</b>

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



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

Fully taxable equivalent basis (1)	Average Rates (2)				2007
	2008	2008	2008	2008	2007
	Fourth	Third	Second	First	Fourth
<b>Assets</b>					
Interest bearing deposits in banks	1.44%	2.17%	2.77%	3.97%	4.30%
Trading account securities	5.32	5.45	5.13	5.27	5.72
Federal funds sold and securities purchased under resale agreements	0.24	2.02	2.08	3.07	4.59
Loans held for sale	6.58	6.54	5.98	5.41	5.86
Investment securities:					
Taxable	5.74	5.54	5.50	5.71	5.98
Tax-exempt	7.02	6.80	6.77	6.75	6.74
Total investment securities	5.94	5.73	5.69	5.88	6.10
Loans and leases: (3)					
Commercial:					
Commercial and industrial	5.01	5.46	5.53	6.32	6.92
Commercial real estate:					
Construction	4.55	4.69	4.81	5.86	7.24
Commercial	5.07	5.33	5.47	6.27	7.09
Commercial real estate	4.96	5.19	5.32	6.18	7.12
Total commercial	4.99	5.35	5.45	6.27	7.00
Consumer:					
Automobile loans	7.17	7.13	7.12	7.25	7.31
Automobile leases	5.82	5.70	5.59	5.53	5.52
Automobile loans and leases	6.98	6.89	6.81	6.82	6.78
Home equity	5.87	6.19	6.43	7.21	7.81
Residential mortgage	5.84	5.83	5.78	5.86	5.88
Other loans	9.25	9.71	9.98	10.43	10.91
Total consumer	6.28	6.41	6.48	6.84	7.10
Total loans and leases	5.53	5.80	5.89	6.51	7.05
<b>Total earning assets</b>	<b>5.57%</b>	<b>5.77%</b>	<b>5.85%</b>	<b>6.40%</b>	<b>6.88%</b>
<b>Liabilities and Shareholders' Equity</b>					
Deposits:					
Demand deposits — non-interest bearing	—%	—%	—%	—%	—%
Demand deposits — interest bearing	0.34	0.51	0.55	0.82	1.14
Money market deposits	1.31	1.66	1.76	2.83	3.67
Savings and other domestic deposits	1.66	1.74	1.83	2.27	2.54
Core certificates of deposit	4.02	4.05	4.37	4.68	4.83
Total core deposits	2.49	2.57	2.67	3.18	3.55
Other domestic deposits of \$100,000 or more	3.38	3.47	3.77	4.38	5.00
Brokered deposits and negotiable CDs	3.39	3.37	3.38	4.43	5.24
Deposits in foreign offices	0.90	1.49	1.66	2.16	3.27
Total deposits	2.58	2.66	2.78	3.36	3.80
Short-term borrowings	0.85	1.42	1.66	2.78	3.74
Federal Home Loan Bank advances	3.04	2.92	3.01	3.94	5.03
Subordinated notes and other long-term debt	4.49	4.29	4.21	5.12	5.93
<b>Total interest bearing liabilities</b>	<b>2.74%</b>	<b>2.79%</b>	<b>2.85%</b>	<b>3.53%</b>	<b>4.09%</b>
Net interest rate spread	2.83%	2.98%	3.00%	2.87%	2.79%
Impact of non-interest bearing funds on margin	0.35	0.31	0.29	0.36	0.47
<b>Net interest margin</b>	<b>3.18%</b>	<b>3.29%</b>	<b>3.29%</b>	<b>3.23%</b>	<b>3.26%</b>

(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, nonaccrual loans are reflected in the average balances of loans.

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

<i>(in millions)</i>	Average Balances					Change	
	2008				2007	4Q08 vs 4Q07	
	Fourth	Third	Second	First	Fourth	Amount	Percent
<b>Loans and direct financing leases (1)</b>							
Regional Banking:							
Central Ohio	\$ 5,368	\$ 5,202	\$ 5,199	\$ 5,099	\$ 5,040	\$ 328	6.5%
Northwest Ohio	2,152	2,209	2,251	2,295	2,301	(149)	(6.5)
Greater Cleveland	3,304	3,274	3,241	3,148	3,085	219	7.1
Greater Akron/Canton	2,629	2,592	2,586	2,516	2,488	141	5.7
Southern Ohio/Kentucky	3,093	2,999	2,925	2,782	2,584	509	19.7
Mahoning Valley	1,227	1,224	1,268	1,266	1,279	(52)	(4.1)
West Michigan	2,708	2,633	2,572	2,508	2,472	236	9.5
East Michigan	1,812	1,819	1,792	1,734	1,761	51	2.9
Pittsburgh	1,975	1,983	1,932	1,902	1,856	119	6.4
Central Indiana	1,585	1,545	1,527	1,463	1,397	188	13.5
West Virginia	1,284	1,198	1,199	1,160	1,135	149	13.1
Other Regional	4,666	4,669	4,908	5,089	5,048	(382)	(7.6)
<b>Regional Banking</b>	<b>31,803</b>	<b>31,347</b>	<b>31,400</b>	<b>30,962</b>	<b>30,446</b>	<b>1,357</b>	<b>4.5</b>
Auto Finance and Dealer Services	5,909	5,928	5,877	5,720	5,587	322	5.8
Private Financial, Capital Markets, and Insurance Group	2,629	2,600	2,594	2,553	2,496	133	5.3
Treasury / Other	1,096	1,129	1,154	1,132	1,580	(484)	(30.6)
<b>Total loans and direct financing leases</b>	<b>\$ 41,437</b>	<b>\$ 41,004</b>	<b>\$ 41,025</b>	<b>\$ 40,367</b>	<b>\$ 40,109</b>	<b>\$ 1,328</b>	<b>3.3%</b>
<b>Deposit composition (1)</b>							
Regional Banking:							
Central Ohio	\$ 6,160	\$ 6,331	\$ 6,596	\$ 6,359	\$ 6,158	\$ 2	0.0%
Northwest Ohio	2,644	2,755	2,765	2,828	2,823	(179)	(6.3)
Greater Cleveland	3,136	3,272	3,317	3,189	3,097	39	1.3
Greater Akron/Canton	3,215	3,239	3,211	3,231	3,236	(21)	(0.6)
Southern Ohio/Kentucky	2,670	2,638	2,596	2,655	2,644	26	1.0
Mahoning Valley	2,260	2,281	2,277	2,312	2,331	(71)	(3.0)
West Michigan	2,931	2,981	2,906	2,904	2,923	8	0.3
East Michigan	2,657	2,612	2,458	2,420	2,406	251	10.4
Pittsburgh	2,685	2,609	2,562	2,545	2,553	132	5.2
Central Indiana	1,921	1,880	1,946	1,888	1,939	(18)	(0.9)
West Virginia	1,763	1,674	1,608	1,594	1,567	196	12.5
Other Regional	865	829	818	786	730	135	18.5
<b>Regional Banking</b>	<b>32,907</b>	<b>33,101</b>	<b>33,060</b>	<b>32,711</b>	<b>32,407</b>	<b>500</b>	<b>1.5</b>
Auto Finance and Dealer Services	61	62	54	54	61	—	—
Private Financial, Capital Markets, and Insurance Group	1,608	1,583	1,517	1,583	1,640	(32)	(2.0)
Treasury / Other	3,007	3,057	3,396	3,583	3,567	(560)	(15.7)
<b>Total deposits</b>	<b>\$ 37,583</b>	<b>\$ 37,803</b>	<b>\$ 38,027</b>	<b>\$ 37,931</b>	<b>\$ 37,675</b>	<b>\$ (92)</b>	<b>(0.2)%</b>

(1) Prior period amounts have been reclassified to conform to the current period presentation.

**Huntington Bancshares Incorporated**  
**Selected Quarterly Income Statement Data (1)**  
*(Unaudited)*

<i>(in thousands, except per share amounts)</i>	2008				2007	4Q08 vs 4Q07	
	Fourth	Third	Second	First	Fourth	Amount	Percent
Interest income	\$ 662,508	\$ 685,728	\$ 696,675	\$ 753,411	\$ 814,398	\$ (151,890)	(18.7)%
Interest expense	286,143	297,092	306,809	376,587	431,465	(145,322)	(33.7)
Net interest income	376,365	388,636	389,866	376,824	382,933	(6,568)	(1.7)
Provision for credit losses	722,608	125,392	120,813	88,650	512,082	210,526	41.1
<b>Net interest (loss) income after provision for credit losses</b>	<b>(346,243)</b>	263,244	269,053	288,174	(129,149)	(217,094)	N.M.
Service charges on deposit accounts	75,247	80,508	79,630	72,668	81,276	(6,029)	(7.4)
Brokerage and insurance income	31,233	34,309	35,694	36,560	30,288	945	3.1
Trust services	27,811	30,952	33,089	34,128	35,198	(7,387)	(21.0)
Electronic banking	22,838	23,446	23,242	20,741	21,891	947	4.3
Bank owned life insurance income	13,577	13,318	14,131	13,750	13,253	324	2.4
Automobile operating lease income	13,170	11,492	9,357	5,832	2,658	10,512	N.M.
Mortgage banking (loss) income	(6,747)	10,302	12,502	(7,063)	3,702	(10,449)	N.M.
Securities (losses) gains	(127,082)	(73,790)	2,073	1,429	(11,551)	(115,531)	N.M.
Other income (loss)	17,052	37,320	26,712	57,707	(6,158)	23,210	N.M.
<b>Total non-interest income</b>	<b>67,099</b>	167,857	236,430	235,752	170,557	(103,458)	(60.7)
Personnel costs	196,785	184,827	199,991	201,943	214,850	(18,065)	(8.4)
Outside data processing and other services	31,230	32,386	30,186	34,361	39,130	(7,900)	(20.2)
Net occupancy	22,999	25,215	26,971	33,243	26,714	(3,715)	(13.9)
Equipment	22,329	22,102	25,740	23,794	22,816	(487)	(2.1)
Amortization of intangibles	19,187	19,463	19,327	18,917	20,163	(976)	(4.8)
Professional services	17,420	13,405	13,752	9,090	14,464	2,956	20.4
Marketing	9,357	7,049	7,339	8,919	16,175	(6,818)	(42.2)
Automobile operating lease expense	10,483	9,093	7,200	4,506	1,918	8,565	N.M.
Telecommunications	5,892	6,007	6,864	6,245	8,513	(2,621)	(30.8)
Printing and supplies	4,175	4,316	4,757	5,622	6,594	(2,419)	(36.7)
Other expense	50,237	15,133	35,676	23,841	68,215	(17,978)	(26.4)
<b>Total non-interest expense</b>	<b>390,094</b>	338,996	377,803	370,481	439,552	(49,458)	(11.3)
(Loss) Income before income taxes	(669,238)	92,105	127,680	153,445	(398,144)	(271,094)	68.1
(Benefit) Provision for income taxes	(251,949)	17,042	26,328	26,377	(158,864)	(93,085)	58.6
<b>Net (loss) income</b>	<b>\$ (417,289)</b>	\$ 75,063	\$ 101,352	\$ 127,068	\$ (239,280)	\$ (178,009)	74.4%
Dividends declared on preferred shares	23,158	12,091	11,151	—	—	23,158	—
<b>Net (loss) income applicable to common shares</b>	<b>\$ (440,447)</b>	\$ 62,972	\$ 90,201	\$ 127,068	\$ (239,280)	\$ (201,167)	84.1%
Average common shares — basic	366,054	366,124	366,206	366,235	366,119	(65)	(0.0)%
Average common shares — diluted <sup>(2)</sup>	366,054	367,361	367,234	367,208	366,119	(65)	(0.0)
<b>Per common share</b>							
Net (loss) income — basic	\$ (1.20)	\$ 0.17	\$ 0.25	\$ 0.35	\$ (0.65)	\$ (0.55)	84.6%
Net (loss) income — diluted	(1.20)	0.17	0.25	0.35	(0.65)	(0.55)	84.6
Cash dividends declared	0.1325	0.1325	0.1325	0.2650	0.2650	(0.1325)	(50.0)
Return on average total assets	(3.04)%	0.55%	0.73%	0.93%	(1.74)	(1.30)%	74.7
Return on average total shareholders' equity	(23.7)	4.7	6.4	8.7	(15.3)	(8.4)	54.9
Return on average tangible shareholders' equity <sup>(3)</sup>	(43.2)	11.6	15.0	22.0	(30.7)	(12.50)	40.7
Net interest margin <sup>(4)</sup>	3.18	3.29	3.29	3.23	3.26	(0.08)	(2.5)
Efficiency ratio <sup>(5)</sup>	64.6	50.3	56.9	57.0	73.5	(8.9)	(12.1)
Effective tax rate (benefit)	(37.6)	18.5	20.6	17.2	(39.9)	2.3	(5.8)
<b>Revenue — fully taxable equivalent (FTE)</b>							
Net interest income	\$ 376,365	\$ 388,636	\$ 389,866	\$ 376,824	\$ 382,933	\$ (6,568)	(1.7)
FTE adjustment	3,641	5,451	5,624	5,502	5,363	(1,722)	(32.1)
Net interest income <sup>(4)</sup>	380,006	394,087	395,490	382,326	388,296	(8,290)	(2.1)
Non-interest income	67,099	167,857	236,430	235,752	170,557	(103,458)	(60.7)
<b>Total revenue<sup>(4)</sup></b>	<b>\$ 447,105</b>	\$ 561,944	\$ 631,920	\$ 618,078	\$ 558,853	\$ (111,748)	(20.0)%

N.M., not a meaningful value.

(1) Comparisons for presented periods are impacted by a number of factors. Refer to "Significant Items."

(2) For the three-month periods ended December 31, 2008, September 30, 2008, and June 30, 2008, the impact of the convertible preferred stock issued in April of 2008 was excluded from the diluted share calculation. It was excluded because the result would have been higher than basic earnings per common share (anti-dilutive) for the period.

- (3) Net income excluding expense for amortization of intangibles for the period divided by average tangible shareholders' equity. Average tangible shareholders' equity equals average stockholders' equity less equals average intangible assets and goodwill. Expense for amortization of intangibles and average intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.
- (4) On a fully taxable equivalent (FTE) basis assuming a 35% tax rate.
- (5) 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**  
*(Unaudited)*

<i>(in thousands, except as noted)</i>	2008				2007	4Q08 vs 4Q07	
	Fourth	Third	Second	First	Fourth	Amount	Percent
<b>Mortgage Banking Income</b>							
Origination and secondary marketing	\$ 7,180	\$ 7,647	\$ 13,098	\$ 9,332	\$ 5,879	\$ 1,301	22.1%
Servicing fees	11,660	11,838	11,166	10,894	11,405	255	2.2
Amortization of capitalized servicing (1)	(6,462)	(6,234)	(7,024)	(6,914)	(5,929)	(533)	(9.0)
Other mortgage banking income	2,959	3,519	5,959	4,331	4,113	(1,154)	(28.1)
Sub-total	15,337	16,770	23,199	17,643	15,468	(131)	(0.8)
MSR valuation adjustment (1)	(63,355)	(10,251)	39,031	(18,093)	(21,245)	(42,110)	N.M.
Net trading gains (losses) related to MSR hedging	41,271	3,783	(49,728)	(6,613)	9,479	31,792	N.M.
<b>Total mortgage banking (loss) income</b>	<b>\$ (6,747)</b>	<b>\$ 10,302</b>	<b>\$ 12,502</b>	<b>\$ (7,063)</b>	<b>\$ 3,702</b>	<b>\$ (10,449)</b>	<b>N.M.%</b>
Average trading account securities used to hedge MSR <i>s (in millions)</i>	\$ 857	\$ 941	\$ 1,190	\$ 1,139	\$ 1,073	\$ (216)	(20.1)%
Capitalized mortgage servicing rights (2)	167,438	230,398	240,024	191,806	207,894	(40,456)	(19.5)
Total mortgages serviced for others <i>(in millions)</i> (2)	15,138	15,741	15,770	15,138	15,088	50	0.3
MSR % of investor servicing portfolio	1.11%	1.46%	1.52%	1.27%	1.38%	(0.27)%	(19.6)
<b>Net Impact of MSR Hedging</b>							
MSR valuation adjustment (1)	\$ (63,355)	\$ (10,251)	\$ 39,031	\$ (18,093)	\$ (21,245)	\$ (42,110)	N.M.%
Net trading gains (losses) related to MSR hedging	41,271	3,783	(49,728)	(6,613)	9,479	31,792	N.M.
Net interest income related to MSR hedging	9,473	8,368	9,364	5,934	3,192	6,281	N.M.
<b>Net impact of MSR hedging</b>	<b>\$ (12,611)</b>	<b>\$ 1,900</b>	<b>\$ (1,333)</b>	<b>\$ (18,772)</b>	<b>\$ (8,574)</b>	<b>\$ (4,037)</b>	<b>47.1%</b>

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) At period end.

**Huntington Bancshares Incorporated**  
**Quarterly Credit Reserves Analysis**  
*(Unaudited)*

<i>(in thousands)</i>	2008				2007
	Fourth	Third	Second	First	Fourth
<b>Allowance for loan and lease losses, beginning of period</b>	<b>\$ 720,738</b>	\$ 679,403	\$ 627,615	\$ 578,442	\$ 454,784
Loan and lease losses	(571,053)	(96,388)	(78,084)	(60,804)	(388,506)
Recoveries of loans previously charged off	10,433	12,637	12,837	12,355	10,599
Net loan and lease losses	(560,620)	(83,751)	(65,247)	(48,449)	(377,907)
Provision for loan and lease losses	728,046	125,086	117,035	97,622	503,781
Economic reserve transfer	12,063	—	—	—	—
Allowance for loans transferred to held-for-sale	—	—	—	—	(2,216)
<b>Allowance for loan and lease losses, end of period</b>	<b>\$ 900,227</b>	\$ 720,738	\$ 679,403	\$ 627,615	\$ 578,442
<b>Allowance for unfunded loan commitments and letters of credit, beginning of period</b>	<b>\$ 61,640</b>	\$ 61,334	\$ 57,556	\$ 66,528	\$ 58,227
(Reduction in) Provision for unfunded loan commitments and letters of credit losses	(5,438)	306	3,778	(8,972)	8,301
Economic reserve transfer	(12,063)	—	—	—	—
<b>Allowance for unfunded loan commitments and letters of credit, end of period</b>	<b>\$ 44,139</b>	\$ 61,640	\$ 61,334	\$ 57,556	\$ 66,528
<b>Total allowances for credit losses</b>	<b>\$ 944,366</b>	\$ 782,378	\$ 740,737	\$ 685,171	\$ 644,970
<b>Allowance for loan and lease losses (ALLL) as % of:</b>					
Transaction reserve	1.91%	1.54%	1.45%	1.34%	1.27%
Economic reserve	0.28	0.21	0.21	0.19	0.17
Total loans and leases	2.19%	1.75%	1.66%	1.53%	1.44%
Nonaccrual loans and leases (NALs)	60	123	127	166	181
Nonperforming assets (NPAs)	55	107	109	121	122
<b>Total allowances for credit losses (ACL) as % of:</b>					
Total loans and leases	2.30%	1.90%	1.80%	1.67%	1.61%
Nonaccrual loans and leases	63	134	138	182	202
Nonperforming assets	58	116	119	132	136

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

<i>(in thousands)</i>	2008				2007
	Fourth	Third	Second	First	Fourth
<b>Net charge-offs by loan and lease type:</b>					
Commercial:					
Commercial and industrial	\$ 473,426 (1)	\$ 29,646	\$ 12,361	\$ 10,732	\$ 323,905 (2)
Commercial real estate:					
Construction	2,390	3,539	575	122	6,800
Commercial	35,991	7,446	14,524	4,153	13,936
Commercial real estate	38,381	10,985	15,099	4,275	20,736
Total commercial	511,807	40,631	27,460	15,007	344,641
Consumer:					
Automobile loans	14,885	9,813	8,522	8,008	7,347
Automobile leases	3,666	3,532	2,928	3,211	3,046
Automobile loans and leases	18,551	13,345	11,450	11,219	10,393
Home equity	19,168	15,828	17,345	15,215	12,212
Residential mortgage	7,328	6,706	4,286	2,927	3,340
Other loans	3,766	7,241	4,706	4,081	7,321
Total consumer	48,813	43,120	37,787	33,442	33,266
<b>Total net charge-offs</b>	<b>\$ 560,620</b>	<b>\$ 83,751</b>	<b>\$ 65,247</b>	<b>\$ 48,449</b>	<b>\$ 377,907</b>
<b>Net charge-offs — annualized percentages:</b>					
Commercial:					
Commercial and industrial (1), (2)	13.78%	0.87%	0.36%	0.32	% 9.76%
Commercial real estate:					
Construction	0.45	0.68	0.11	0.02	1.44
Commercial	1.77	0.39	0.77	0.23	0.78
Commercial real estate	1.50	0.45	0.63	0.18	0.92
Total commercial	8.54	0.69	0.47	0.27	6.18
Consumer:					
Automobile loans	1.53	1.02	0.94	0.97	0.96
Automobile leases	2.31	1.84	1.28	1.18	0.96
Automobile loans and leases	1.64	1.15	1.01	1.02	0.96
Home equity	1.02	0.85	0.94	0.84	0.67
Residential mortgage	0.62	0.56	0.33	0.22	0.25
Other loans	2.22	4.32	2.69	2.29	4.02
Total consumer	1.12	0.98	0.85	0.75	0.75
<b>Net charge-offs as a % of average loans</b>	<b>5.41%</b>	<b>0.82%</b>	<b>0.64%</b>	<b>0.48%</b>	<b>3.77%</b>

(1) The 2008 fourth quarter includes charge-offs totaling \$423.3 million associated with Franklin.

(2) The 2007 fourth quarter includes charge-offs totaling \$397.0 million associated with the Franklin restructuring. These charge-offs were reduced by the unamortized discount associated with the loans, and by other amounts received from Franklin totaling \$88.5 million, resulting in net charge-offs totaling \$308.5 million.

**Huntington Bancshares Incorporated**  
**Quarterly Nonaccrual Loans (NALs), Nonperforming Assets (NPAs) and Past Due Loans and Leases**  
*(Unaudited)*

<i>(in thousands)</i>	2008				2007
	December 31,	September 30,	June 30,	March 31,	December 31,
<b>Nonaccrual loans and leases (NALs):</b>					
Commercial and industrial <sup>(1)</sup>	\$ 932,648	\$ 174,207	\$ 161,345	\$ 101,842	\$ 87,679
Commercial real estate	445,717	298,844	261,739	183,000	148,467
Residential mortgage	98,951	85,163	82,882	66,466	59,557
Home equity	24,831	27,727	29,076	26,053	24,068
<b>Total nonaccrual loans and leases</b>	<b>1,502,147</b>	<b>585,941</b>	<b>535,042</b>	<b>377,361</b>	<b>319,771</b>
<b>Other real estate, net:</b>					
Residential	63,058	59,302	59,119	63,675	60,804
Commercial	59,440	14,176	13,259	10,181	14,467
<b>Total other real estate, net</b>	<b>122,498</b>	<b>73,478</b>	<b>72,378</b>	<b>73,856</b>	<b>75,271</b>
<b>Impaired loans held for sale (2)</b>	<b>12,001</b>	<b>13,503</b>	<b>14,759</b>	<b>66,353</b>	<b>73,481</b>
<b>Other NPAs (3)</b>	<b>—</b>	<b>2,397</b>	<b>2,557</b>	<b>2,836</b>	<b>4,379</b>
<b>Total nonperforming assets</b>	<b>\$ 1,636,646</b>	<b>\$ 675,319</b>	<b>\$ 624,736</b>	<b>\$ 520,406</b>	<b>\$ 472,902</b>

Nonaccrual loans and leases as a % of total loans and leases (NAL ratio) 3.66% 1.42% 1.30% 0.92% 0.80%

NPA ratio (4) 3.97 1.64 1.52 1.26 1.18

<b>Accruing restructured loans (5)</b>					
Franklin	\$ —	\$ 364,939	\$ 368,379	\$ 1,157,361	\$ 1,187,368
Other	306,417	106,520	87,151	59,823	—
<b>Total accruing restructured loans</b>	<b>\$ 306,417</b>	<b>\$ 471,459</b>	<b>\$ 455,530</b>	<b>\$ 1,217,184</b>	<b>\$ 1,187,368</b>

Accruing loans and leases past due 90 days or more \$ 203,985 \$ 191,518 \$ 136,914 \$ 152,897 \$ 140,977

Accruing loans and leases past due 90 days or more as a percent of total loans and leases 0.50% 0.46% 0.33% 0.37% 0.35%

<i>(in thousands)</i>	2008				2007
	Fourth	Third	Second	First	Fourth
<b>Nonperforming assets, beginning of period</b>	<b>\$ 675,319</b>	<b>\$ 624,736</b>	<b>\$ 520,406</b>	<b>\$ 472,902</b>	<b>\$ 435,042</b>
New nonperforming assets	1,159,545	175,345	256,308	141,090	211,134
Returns to accruing status	(13,756)	(9,104)	(5,817)	(13,484)	(5,273)
Loan and lease losses	(100,335)	(52,792)	(40,808)	(27,896)	(62,502)
Payments	(66,536)	(43,319)	(46,091)	(38,746)	(30,756)
Sales	(17,591)	(19,547)	(59,262)	(13,460)	(74,743)
<b>Nonperforming assets, end of period</b>	<b>\$ 1,636,646</b>	<b>\$ 675,319</b>	<b>\$ 624,736</b>	<b>\$ 520,406</b>	<b>\$ 472,902</b>

- (1) The 2008 fourth quarter commercial and industrial NALs include the \$650.2 million Franklin Credit Management Corporation (Franklin) Tranche A loan.
- (2) Represent impaired loans obtained from the Sky Financial acquisition. Held for sale loans are carried at the lower of cost or fair value less costs to sell. The decline from March 31, 2008 to June 30, 2008 was primarily due to the sale of these loans.
- (3) Other NPAs represent certain investment securities backed by mortgage loans to borrowers with lower FICO scores.
- (4) Nonperforming assets divided by the sum of loans and leases, impaired loans held for sale, net other real estate, and other NPAs.
- (5) Represents accruing loans that have been restructured. The 2007 fourth quarter and 2008 first quarter include both Tranche A and Tranche B of the Franklin relationship. The 2008 second and third quarters include Tranche B of the Franklin relationship, which was charged off in the 2008 fourth quarter.



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

**Quarterly common stock summary**

<i>(in thousands, except per share amounts)</i>	2008				2007
	Fourth	Third	Second	First	Fourth
<b>Common stock price, per share</b>					
High (1)	\$ 11.650	\$ 13.500	\$ 11.750	\$ 14.870	\$ 18.390
Low (1)	5.260	4.370	4.940	9.640	13.500
Close	7.660	7.990	5.770	10.750	14.760
Average closing price	8.276	7.510	8.783	12.268	16.125
<b>Dividends, per share</b>					
Cash dividends declared per common share	\$ 0.1325	\$ 0.1325	\$ 0.1325	\$ 0.2650	\$ 0.2650
<b>Common shares outstanding</b>					
Average — basic	366,054	366,124	366,206	366,235	366,119
Average — diluted (2)	366,054	367,361	367,234	367,208	366,119
Ending	366,058	366,069	366,197	366,226	366,262
Book value per common share	\$ 14.53	\$ 15.86	\$ 15.87	\$ 16.13	\$ 16.24
Tangible book value per common share(3)	5.55	6.84	6.82	7.08	7.13

**Capital data**

<i>(in millions)</i>	2008				2007
	December 31,	September 30,	June 30,	March 31,	December 31,
<b>Calculation of tangible equity / asset ratio:</b>					
Total shareholders' equity	\$ 7,197	\$ 6,374	\$ 6,381	\$ 5,907	\$ 5,949
Less: goodwill	(3,055)	(3,056)	(3,057)	(3,047)	(3,059)
Less: other intangible assets	(357)	(376)	(395)	(409)	(428)
Add: related deferred tax liability(3)	125	132	138	143	150
Total tangible equity	3,910	3,073	3,068	2,593	2,612
Less: Preferred equity	(1,878)	(569)	(569)	—	—
Total tangible common equity	\$ 2,032	\$ 2,504	\$ 2,499	\$ 2,593	\$ 2,612
Total assets	\$ 54,312	\$ 54,661	\$ 55,334	\$ 56,052	\$ 54,697
Less: goodwill	(3,055)	(3,056)	(3,057)	(3,047)	(3,059)
Less: other intangible assets	(357)	(376)	(395)	(409)	(428)
Add: related deferred tax liability(3)	125	132	138	143	150
Total tangible assets	\$ 51,025	\$ 51,360	\$ 52,020	\$ 52,739	\$ 51,360

Tangible equity / asset ratio	7.66%	5.98%	5.90%	4.92%	5.08%
Tangible common equity / asset ratio	3.98	4.88	4.80	4.92	5.08

**Other capital data:**

Total risk-weighted assets (4)	\$ 46,793	\$ 46,608	\$ 46,602	\$ 46,546	\$ 46,044
Tier 1 leverage ratio (4)	9.82%	7.99%	7.88%	6.83%	6.77%
Tier 1 risk-based capital ratio (4)	10.76	8.80	8.82	7.56	7.51
Total risk-based capital ratio (4)	13.96	12.03	12.05	10.87	10.85
Tangible equity / risk-weighted assets ratio (4)	8.37	6.59	6.58	5.57	5.67
Average equity / average assets	12.85	11.56	11.44	10.70	11.40

**Other data:**

Number of employees (full-time equivalent)	10,951	10,900	11,251	11,787	11,925
Number of domestic full-service banking offices (5)	613	612	625	627	625

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

(2) For the three-month periods ended December 31, 2008, September 30, 2008, and June 30, 2008, the impact of the convertible preferred stock issued in April of 2008 was excluded from the diluted share calculation. It was excluded because the result would have been higher than basic earnings per common share (anti-dilutive) for the period.

(3) Other intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.

(4) December 31, 2008 figures are estimated. Based on an interim decision by the banking agencies on December 14, 2006, Huntington has excluded the impact of adopting Statement 158 from the regulatory capital calculations.

(5) Includes 10 Private Financial Group offices.

**Huntington Bancshares Incorporated**  
**Consolidated Annual Average Balance Sheets**  
*(Unaudited)*

Fully taxable equivalent basis (in millions)	Annual Average Balances								
	2008	Change from 2007		2007	Change from 2006		2006	2005	2004
		Amount	%		Amount	%			
<b>Assets</b>									
Interest bearing deposits in banks	\$ 303	\$ 43	16.5%	\$ 260	\$ 207	N.M.	\$ 53	\$ 53	\$ 66
Trading account securities	1,090	448	69.8	642	550	N.M.	92	207	105
Federal funds sold and securities purchased under resale agreements	435	(156)	(26.4)	591	270	84.1	321	262	319
Loans held for sale	416	54	14.9	362	87	31.6	275	318	243
Investment securities:									
Taxable	3,878	225	6.2	3,653	(544)	(13.0)	4,197	3,683	4,425
Tax-exempt	705	59	9.1	646	76	13.3	570	475	412
Total investment securities	4,583	284	6.6	4,299	(468)	(9.8)	4,767	4,158	4,837
Loans and leases: (1)									
Commercial:									
Commercial and industrial	13,588	2,952	27.8	10,636	3,313	45.2	7,323	6,170	5,466
Commercial real estate:									
Construction	2,061	528	34.4	1,533	273	21.7	1,260	1,739	1,468
Commercial	7,671	2,397	45.4	5,274	1,992	60.7	3,282	2,718	2,867
Commercial real estate	9,732	2,925	43.0	6,807	2,265	49.9	4,542	4,457	4,335
Total commercial	23,320	5,877	33.7	17,443	5,578	47.0	11,865	10,627	9,801
Consumer:									
Automobile loans	3,676	1,043	39.6	2,633	576	28.0	2,057	2,043	2,285
Automobile leases	851	(634)	(42.7)	1,485	(546)	(26.9)	2,031	2,422	2,192
Automobile loans and leases	4,527	409	9.9	4,118	30	0.7	4,088	4,465	4,477
Home equity	7,404	1,231	19.9	6,173	1,203	24.2	4,970	4,752	4,244
Residential mortgage	5,018	79	1.6	4,939	358	7.8	4,581	4,081	3,212
Other loans	691	162	30.6	529	90	20.5	439	385	393
Total consumer	17,640	1,881	11.9	15,759	1,681	11.9	14,078	13,683	12,326
Total loans and leases	40,960	7,758	23.4	33,202	7,259	28.0	25,943	24,310	22,127
Allowance for loan and lease losses	(695)	(313)	(81.9)	(382)	(95)	(33.1)	(287)	(268)	(298)
Net loans and leases	40,265	7,445	22.7	32,820	7,164	27.9	25,656	24,042	21,829
Total earning assets	47,787	8,431	21.4	39,356	7,905	25.1	31,451	29,308	27,697
Cash and due from banks	958	28	3.0	930	105	12.7	825	845	843
Intangible assets	3,446	1,427	70.7	2,019	1,452	N.M.	567	218	216
All other assets	3,425	636	22.8	2,789	233	9.1	2,556	2,536	2,975
<b>Total Assets</b>	<b>\$54,921</b>	<b>\$ 10,209</b>	<b>22.8</b>	<b>\$44,712</b>	<b>\$ 9,600</b>	<b>27.3</b>	<b>\$35,112</b>	<b>\$32,639</b>	<b>\$31,433</b>
<b>Liabilities and Shareholders' Equity</b>									
Deposits:									
Demand deposits — non-interest bearing	\$ 5,095	\$ 657	14.8%	\$ 4,438	\$ 908	25.7%	\$ 3,530	\$ 3,379	\$ 3,230
Demand deposits — interest bearing	4,003	874	27.9	3,129	991	46.4	2,138	1,920	1,953
Money market deposits	6,093	(80)	(1.3)	6,173	569	10.2	5,604	5,738	5,254
Savings and other domestic deposits	4,949	948	23.7	4,001	941	30.8	3,060	3,206	3,434
Core certificates of deposit	11,527	3,470	43.1	8,057	3,007	59.5	5,050	3,334	2,689
Total core deposits	31,667	5,869	22.8	25,798	6,416	33.1	19,382	17,577	16,560
Other domestic deposits of \$100,000 or more	1,951	563	40.6	1,388	343	32.8	1,045	859	590
Brokered deposits and negotiable CDs	3,243	4	0.1	3,239	(3)	(0.1)	3,242	3,119	1,837
Deposits in foreign offices	975	334	52.1	641	126	24.5	515	457	508
Total deposits	37,836	6,770	21.8	31,066	6,882	28.5	24,184	22,012	19,495
Short-term borrowings	2,374	129	5.7	2,245	445	24.7	1,800	1,379	1,410
Federal Home Loan Bank advances	3,281	1,254	61.9	2,027	658	48.1	1,369	1,105	1,271
Subordinated notes and other long-term debt	4,094	406	11.0	3,688	114	3.2	3,574	4,064	5,379
Total interest bearing liabilities	42,490	7,902	22.8	34,588	7,191	26.2	27,397	25,181	24,325
All other liabilities	942	(112)	(10.6)	1,054	(185)	(14.9)	1,239	1,496	1,504
Shareholders' equity	6,394	1,762	38.0	4,632	1,686	57.2	2,946	2,583	2,374
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$54,921</b>	<b>\$ 10,209</b>	<b>22.8%</b>	<b>\$44,712</b>	<b>\$ 9,600</b>	<b>27.3%</b>	<b>\$35,112</b>	<b>\$32,639</b>	<b>\$31,433</b>

N.M., not a meaningful value.

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

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

Fully Taxable Equivalent basis (1)	Annual Average Rates (2)				
	2008	2007	2006	2005	2004
<b>Assets</b>					
Interest bearing deposits in banks	2.53%	4.80%	6.00%	2.16%	1.05%
Trading account securities	5.28	5.84	4.19	4.08	4.15
Federal funds sold and securities purchased under resale agreements	2.46	5.05	5.00	2.27	1.73
Loans held for sale	6.01	5.69	6.10	5.64	5.35
Investment securities:					
Taxable	5.62	6.07	5.47	4.31	3.88
Tax-exempt	6.83	6.72	6.75	6.71	6.98
Total investment securities	5.81	6.17	5.62	4.58	4.14
Loans and leases (3):					
Commercial:					
Commercial and industrial	5.67	7.44	7.32	5.88	4.58
Commercial real estate:					
Construction	5.05	7.80	8.07	6.42	4.55
Commercial	5.61	7.50	7.45	5.99	4.95
Commercial real estate	5.49	7.57	7.61	6.16	4.81
Total commercial	5.59	7.49	7.43	6.00	4.68
Consumer:					
Automobile loans	7.17	7.17	6.57	6.52	7.22
Automobile leases	5.65	5.41	5.07	4.94	5.00
Automobile loans and leases	6.88	6.53	5.82	5.66	6.14
Home equity	6.42	7.77	7.44	6.07	4.92
Residential mortgage	5.83	5.79	5.44	5.22	5.07
Other loans	9.85	10.51	9.07	10.23	7.51
Total consumer	6.50	6.92	6.37	5.80	5.48
Total loans and leases	5.99	7.22	6.86	5.89	5.13
<b>Total earning assets</b>	<b>5.90%</b>	<b>7.02%</b>	<b>6.63%</b>	<b>5.65%</b>	<b>4.89%</b>
<b>Liabilities and Shareholders' Equity</b>					
Deposits:					
Demand deposits — non-interest bearing	—%	—%	—%	—%	—%
Demand deposits — interest bearing	0.55	1.29	0.90	0.55	0.42
Money market deposits	1.93	3.77	3.45	2.18	1.25
Savings and other domestic deposits	1.88	2.40	1.75	1.41	1.29
Core certificates of deposit	4.27	4.85	4.25	3.56	3.36
Total core deposits	2.73	3.55	3.02	2.10	1.56
Other domestic deposits of \$100,000 or more	3.76	5.08	5.00	3.32	1.88
Brokered deposits and negotiable CDs	3.66	5.41	5.22	3.51	1.80
Deposits in foreign offices	1.56	3.19	2.93	2.10	0.82
Total deposits	2.85	3.85	3.47	2.40	1.58
Short-term borrowings	1.78	4.13	4.01	2.49	0.93
Federal Home Loan Bank advances	3.29	5.06	4.38	3.13	2.62
Subordinated notes and other long-term debt	4.51	5.96	5.65	4.02	2.46
<b>Total interest bearing liabilities</b>	<b>2.98</b>	<b>4.17</b>	<b>3.84</b>	<b>2.70</b>	<b>1.79</b>
Net interest rate spread	2.92	2.85	2.79	2.95	3.10
Impact of non-interest bearing funds on margin	0.33	0.51	0.50	0.38	0.23
<b>Net interest margin</b>	<b>3.25%</b>	<b>3.36%</b>	<b>3.29%</b>	<b>3.33%</b>	<b>3.33%</b>

(1) Fully taxable equivalent (FTE) yields are calculated assuming a 35% tax rate. See page 15 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, nonaccrual loans are reflected in the average balances of loans.

**Huntington Bancshares Incorporated**  
**Selected Annual Income Statement Data (1)**  
*(Unaudited)*

Year Ended December 31,									
<i>(in thousands, except per share amounts)</i>	Change from 2007			2007	Change from 2006		2006	2005	2004
	2008	Amount	%		Amount	%			
Interest income	\$2,798,322	\$ 55,359	2.0%	\$2,742,963	\$ 672,444	32.5%	\$2,070,519	\$1,641,765	\$1,347,315
Interest expense	1,266,631	(174,820)	(12.1)	1,441,451	390,109	37.1	1,051,342	679,354	435,941
Net interest income	1,531,691	230,179	17.7	1,301,512	282,335	27.7	1,019,177	962,411	911,374
Provision for credit losses	1,057,463	413,835	64.3	643,628	578,437	N.M.	65,191	81,299	55,062
<b>Net interest income after provision for credit losses</b>	<b>474,228</b>	<b>(183,656)</b>	<b>(27.9)</b>	<b>657,884</b>	<b>(296,102)</b>	<b>(31.0)</b>	<b>953,986</b>	<b>881,112</b>	<b>856,312</b>
Service charges on deposit accounts	308,053	53,860	21.2	254,193	68,480	36.9	185,713	167,834	171,115
Brokerage and insurance income	137,796	45,421	49.2	92,375	33,540	57.0	58,835	53,619	54,799
Trust services	125,980	4,562	3.8	121,418	31,463	35.0	89,955	77,405	67,410
Electronic banking	90,267	19,200	27.0	71,067	19,713	38.4	51,354	44,348	41,574
Bank owned life insurance income	54,776	4,921	9.9	49,855	6,080	13.9	43,775	40,736	42,297
Automobile operating lease income	39,851	32,041	N.M.	7,810	(35,305)	(81.9)	43,115	133,015	285,431
Mortgage banking income	8,994	(20,810)	(69.8)	29,804	(11,687)	(28.2)	41,491	28,333	26,786
Securities (losses) gains	(197,370)	(167,632)	N.M.	(29,738)	43,453	(59.4)	(73,191)	(8,055)	15,763
Other income	138,791	58,972	73.9	79,819	(40,203)	(33.5)	120,022	95,047	113,423
<b>Total non-interest income</b>	<b>707,138</b>	<b>30,535</b>	<b>4.5</b>	<b>676,603</b>	<b>115,534</b>	<b>20.6</b>	<b>561,069</b>	<b>632,282</b>	<b>818,598</b>
Personnel costs	783,546	96,718	14.1	686,828	145,600	26.9	541,228	481,658	485,806
Outside data processing and other services	128,163	918	0.7	127,245	48,466	61.5	78,779	74,638	72,115
Net occupancy	108,428	9,055	9.1	99,373	28,092	39.4	71,281	71,092	75,941
Equipment	93,965	12,483	15.3	81,482	11,570	16.5	69,912	63,124	63,342
Amortization of intangibles	76,894	31,743	70.3	45,151	35,189	N.M.	9,962	829	817
Professional services	53,667	13,347	33.1	40,320	13,267	49.0	27,053	34,569	36,876
Marketing	32,664	(13,379)	(29.1)	46,043	14,315	45.1	31,728	26,279	24,600
Automobile operating lease expense	31,282	26,121	N.M.	5,161	(26,125)	(83.5)	31,286	103,850	235,080
Telecommunications	25,008	506	2.1	24,502	5,250	27.3	19,252	18,648	19,787
Printing and supplies	18,870	619	3.4	18,251	4,387	31.6	13,864	12,573	12,463
Other expense	124,887	(12,601)	(9.2)	137,488	30,839	28.9	106,649	82,560	95,417
<b>Total non-interest expense</b>	<b>1,477,374</b>	<b>165,530</b>	<b>12.6</b>	<b>1,311,844</b>	<b>310,850</b>	<b>31.1</b>	<b>1,000,994</b>	<b>969,820</b>	<b>1,122,244</b>
(Loss) Income before income taxes	(296,008)	(318,651)	N.M.	22,643	(491,418)	(95.6)	514,061	543,574	552,666
(Benefit) Provision for income taxes	(182,202)	(129,676)	N.M.	(52,526)	(105,366)	N.M.	52,840	131,483	153,741
<b>Net (loss) income</b>	<b>\$ (113,806)</b>	<b>(188,975)</b>	<b>N.M.</b>	<b>\$ 75,169</b>	<b>(386,052)</b>	<b>(83.7)%</b>	<b>\$ 461,221</b>	<b>\$ 412,091</b>	<b>\$ 398,925</b>
Dividends declared on preferred shares	46,400	46,400	N.M.	—	—	—	—	—	—
<b>Net (loss) income applicable to common shares</b>	<b>\$ (160,206)</b>	<b>(235,375)</b>	<b>N.M.</b>	<b>\$ 75,169</b>	<b>(386,052)</b>	<b>(83.7)%</b>	<b>\$ 461,221</b>	<b>\$ 412,091</b>	<b>\$ 398,925</b>
Average common shares — basic	366,155	65,247	21.7%	300,908	64,209	27.1%	236,699	230,142	229,913
Average common shares — diluted (2)	366,155	62,700	20.7%	303,455	63,535	26.5%	239,920	233,475	233,856
<b>Per common share</b>									
Net (loss) income per common share — basic	(0.44)	(0.69)	N.M.	0.25	(1.70)	(87.2)	1.95	1.79	1.74
Net (loss) income per common share — diluted	(0.44)	(0.69)	N.M.	0.25	(1.67)	(87.0)	1.92	1.77	1.71
Cash dividends declared	0.6625	(0.398)	(37.5)	1.060	0.060	6.0	1.000	0.845	0.750
Return on average total assets	(0.21)%	(0.38)%	N.M.	0.17%	(1.14)%	(87.02)	1.31%	1.26%	1.27%
Return on average total shareholders' equity	(1.8)	(3.4)	N.M.	1.6	(14.1)	(89.8)	15.7	16.0	16.8
Return on average tangible shareholders' equity (3)	(2.1)	(6.0)	N.M.	3.9	(15.6)	(80.0)	19.5	17.4	18.5
Net interest margin (4)	3.25	(0.11)	(3.3)	3.36	0.07	2.1	3.29	3.33	3.33
Efficiency ratio (5)	57.0	(5.5)	(8.8)	62.5	3.1	5.2	59.4	60.0	65.0
Effective tax rate	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	10.3	24.2	27.8
<b>Revenue — fully taxable equivalent (FTE)</b>									
Net interest income	\$1,531,691	\$ 230,179	17.7%	\$1,301,512	\$ 282,335	27.7%	\$1,019,177	\$ 962,411	\$ 911,374
FTE adjustment (4)	20,218	969	5.0	19,249	3,224	20.1	16,025	13,393	11,653
Net interest income	1,551,909	231,148	17.5	1,320,761	285,559	27.6	1,035,202	975,804	923,027
Non-interest income	707,138	30,535	4.5	676,603	115,534	20.6	561,069	632,282	818,598
<b>Total revenue</b>	<b>\$2,259,047</b>	<b>\$ 261,683</b>	<b>13.1%</b>	<b>\$1,997,364</b>	<b>\$ 401,093</b>	<b>25.1%</b>	<b>\$1,596,271</b>	<b>\$1,608,086</b>	<b>\$1,741,625</b>

N.M., not a meaningful value.

- Comparisons for presented periods are impacted by a number of factors. Refer to the "Significant Items".
- For the year ended December 31, 2008, the impact of the convertible preferred stock issued in April of 2008 was excluded from the diluted share calculation. It was excluded because the result would have been higher than basic earnings per common share (anti-dilutive) for the period.
- Net income excluding expense for amortization of intangibles for the period divided by average tangible shareholders' equity. Average tangible shareholders' equity equals average total shareholders' equity less average intangible assets and goodwill. Expense for amortization of intangibles and average intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.
- On a fully taxable equivalent (FTE) basis assuming a 35% tax rate.
- Non-interest expense less amortization of intangibles divided by the sum of FTE net interest income and non-interest income excluding securities (losses) gains.

**Huntington Bancshares Incorporated**  
**Annual Mortgage Banking Income**  
*(Unaudited)*

	Year Ended December 31,				
<i>(in thousands, except as noted)</i>	2008	2007	2006	2005	2004
<b>Mortgage Banking Income</b>					
Origination and secondary marketing	\$ 37,257	\$ 25,965	\$ 18,217	\$ 24,934	\$ 22,709
Servicing fees	45,558	36,012	24,659	22,181	21,696
Amortization of capitalized servicing (1)	(26,634)	(20,587)	(15,144)	(18,359)	(19,019)
Other mortgage banking income	16,768	13,198	10,173	8,583	10,024
Sub-total	72,949	54,588	37,905	37,339	35,410
MSR valuation adjustment (1)	(52,668)	(16,131)	4,871	4,371	1,378
Net trading losses related to MSR hedging	(11,287)	(8,653)	(1,285)	(13,377)	(10,002)
<b>Total mortgage banking income</b>	<b>\$ 8,994</b>	<b>\$ 29,804</b>	<b>\$ 41,491</b>	<b>\$ 28,333</b>	<b>\$ 26,786</b>
Average trading account securities used to hedge MSR's					
<i>(in millions)</i>	\$ 1,031	\$ 594	\$ 26	\$ 195	\$ 94
Capitalized mortgage servicing rights (2)	167,438	207,894	131,104	91,259	77,107
MSR allowance (2)	—	—	—	(404)	(4,775)
Total mortgages serviced for others <i>(in millions)</i> (2)	15,754	15,088	8,252	7,276	6,861
MSR % of investor servicing portfolio	1.06%	1.38%	1.59%	1.25%	1.12%
<b>Net Impact of MSR Hedging</b>					
MSR valuation adjustment (1)	\$ (52,668)	\$ (16,131)	\$ 4,871	\$ 4,371	\$ 1,378
Net trading losses related to MSR hedging	(11,287)	(8,653)	(1,285)	(13,377)	(10,002)
Net interest income related to MSR hedging	33,139	5,797	36	1,688	1,450
Other MSR hedge activity	—	—	—	—	(4,492)
<b>Net impact of MSR hedging</b>	<b>\$ (30,816)</b>	<b>\$ (18,987)</b>	<b>\$ 3,622</b>	<b>\$ (7,318)</b>	<b>\$(11,666)</b>

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

(2) At period end.

**Huntington Bancshares Incorporated**  
**Annual Credit Reserves Analysis**  
*(Unaudited)*

	Year Ended December 31,				
<i>(in thousands)</i>	2008	2007	2006	2005	2004
<b>Allowance for loan and lease losses, beginning of period</b>	<b>\$ 578,442</b>	<b>\$ 272,068</b>	<b>\$ 268,347</b>	<b>\$ 271,211</b>	<b>\$ 299,732</b>
Acquired allowance for loan and lease losses	—	188,128	23,785	—	—
Loan and lease losses	(806,329)	(517,943)	(119,692)	(115,848)	(126,115)
Recoveries of loans previously charged off	48,262	40,312	37,316	35,791	47,580
Net loan and lease losses	(758,067)	(477,631)	(82,376)	(80,057)	(78,535)
Provision for loan and lease losses	1,067,789	628,802	62,312	83,782	57,397
Economic reserve transfer	12,063	—	—	(6,253)	—
Allowance of assets sold and securitized	—	—	—	(336)	(7,383)
Allowance for loans transferred to held-for-sale	—	(32,925)	—	—	—
<b>Allowance for loan and lease losses, end of period</b>	<b>\$ 900,227</b>	<b>\$ 578,442</b>	<b>\$ 272,068</b>	<b>\$ 268,347</b>	<b>\$ 271,211</b>
<b>Allowance for unfunded loan commitments and letters of credit, beginning of period</b>	<b>\$ 66,528</b>	<b>\$ 40,161</b>	<b>\$ 36,957</b>	<b>\$ 33,187</b>	<b>\$ 35,522</b>
Acquired AULC	—	11,541	325	—	—
(Reduction in) provision for unfunded loan commitments and letters of credit losses	(10,326)	14,826	2,879	(2,483)	(2,335)
Economic reserve transfer	(12,063)	—	—	6,253	—
<b>Allowance for unfunded loan commitments and letters of credit, end of period</b>	<b>\$ 44,139</b>	<b>\$ 66,528</b>	<b>\$ 40,161</b>	<b>\$ 36,957</b>	<b>\$ 33,187</b>
<b>Total allowances for credit losses</b>	<b>\$ 944,366</b>	<b>\$ 644,970</b>	<b>\$ 312,229</b>	<b>\$ 305,304</b>	<b>\$ 304,398</b>
<b>Allowance for loan and lease losses (ALLL) as % of:</b>					
Transaction reserve	1.91%	1.27%	0.86%	0.89%	0.83%
Economic reserve	0.28	0.17	0.18	0.21	0.32
Total loans and leases	2.19%	1.44%	1.04%	1.10%	1.15%
Nonaccrual loans and leases (NALs)	60	181	189	263	424
Nonperforming assets (NPAs)	55	122	141	229	250
<b>Total allowances for credit losses (ACL) as % of:</b>					
Total loans and leases	2.30%	1.61%	1.19%	1.25%	1.29%
Nonaccrual loans and leases	63	202	217	300	476
Nonperforming assets	58	136	261	280	384

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

	Year Ended December 31,				
<i>(in thousands)</i>	2008	2007	2006	2005	2004
<b>Net charge-offs by loan and lease type:</b>					
Commercial:					
Commercial and industrial	\$526,165 <sup>(1)</sup>	\$345,840 <sup>(2)</sup>	\$20,868	\$25,000	\$ 6,573
Commercial real estate:					
Construction	6,626	11,854	3,553	135	2,425
Commercial	62,114	27,250	3,230	4,439	6,459
Commercial real estate	68,740	39,104	6,783	4,574	8,884
Total commercial	594,905	384,944	27,651	29,574	15,457
Consumer:					
Automobile loans	41,228	17,185	8,330	11,988	28,574
Automobile leases	13,337	10,507	10,445	11,664	10,837
Automobile loans and leases	54,565	27,692	18,775	23,652	39,411
Home equity	67,556	34,426	21,854	17,619	15,074
Residential mortgage	21,247	11,371	4,505	2,332	1,760
Other loans	19,794	19,198	9,591	6,880	6,833
Total consumer	163,162	92,687	54,725	50,483	63,078
<b>Total net charge-offs</b>	<b>\$758,067</b>	<b>\$477,631</b>	<b>\$82,376</b>	<b>\$80,057</b>	<b>\$78,535</b>
<b>Net charge-offs — annualized percentages:</b>					
Commercial:					
Commercial and industrial <sup>(1), (2)</sup>	3.87%	3.25%	0.28%	0.41%	0.12%
Commercial real estate:					
Construction	0.32	0.77	0.28	0.01	0.17
Commercial	0.81	0.52	0.10	0.16	0.23
Commercial real estate	0.71	0.57	0.15	0.10	0.20
Total commercial	2.55	2.21	0.23	0.28	0.16
Consumer:					
Automobile loans	1.12	0.65	0.40	0.59	1.25
Automobile leases	1.57	0.71	0.51	0.48	0.49
Automobile loans and leases	1.21	0.67	0.46	0.53	0.88
Home equity	0.91	0.56	0.44	0.37	0.36
Residential mortgage	0.42	0.23	0.10	0.06	0.05
Other loans	2.86	3.63	2.18	1.79	1.74
Total consumer	0.92	0.59	0.39	0.37	0.51
<b>Net charge-offs as a % of average loans</b>	<b>1.85%</b>	<b>1.44%</b>	<b>0.32%</b>	<b>0.33%</b>	<b>0.35%</b>

(1) 2008 includes charge-offs totaling \$423.3 million associated with Franklin.

(2) 2007 includes charge-offs totaling \$397.0 million associated with the Franklin restructuring. These charge-offs were reduced by the unamortized discount associated with the loans, and by other amounts received by Franklin totaling \$88.5 million, resulting in net charge-offs totaling \$308.5 million.

**Huntington Bancshares Incorporated**  
**Annual Nonaccrual Loans (NALs), Nonperforming Assets (NPAs) and Past Due Loans and Leases**  
*(Unaudited)*

<i>(in thousands)</i>	December 31,				
	2008	2007	2006	2005	2004
<b>Nonaccrual loans and leases (NALs):</b>					
Middle market commercial and industrial (1)	\$ 932,648	\$ 87,679	\$ 58,393	\$ 55,273	\$ 34,692
Middle market commercial real estate	445,717	148,467	37,947	18,309	8,670
Residential mortgage	98,951	59,557	32,527	17,613	13,545
Home equity	24,831	24,068	15,266	10,720	7,055
<b>Total nonaccrual loans and leases</b>	<b>1,502,147</b>	<b>319,771</b>	<b>144,133</b>	<b>101,915</b>	<b>63,962</b>
<b>Other real estate, net:</b>					
Residential	63,058	60,804	47,031	14,214	8,501
Commercial	59,440	14,467	2,456	1,026	36,105
<b>Total other real estate, net</b>	<b>122,498</b>	<b>75,271</b>	<b>49,487</b>	<b>15,240</b>	<b>44,606</b>
<b>Impaired loans held for sale (2)</b>	<b>12,001</b>	<b>73,481</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Other NPAs (3)</b>	<b>—</b>	<b>4,379</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total nonperforming assets</b>	<b>\$1,636,646</b>	<b>\$ 472,902</b>	<b>\$193,620</b>	<b>\$117,155</b>	<b>\$108,568</b>

Nonperforming loans and leases as a % of total loans and leases (NAL ratio) **3.66%** 0.80% 0.55% 0.42% 0.27%

NPA ratio (4) **3.97** 1.18 0.74 0.48 0.46

**Accruing restructured loans (5)**

Franklin	\$ —	\$1,187,368	\$ —	\$ —	\$ —
Other	306,417	—	—	—	—
<b>Total accruing restructured loans</b>	<b>\$ 306,417</b>	<b>\$1,187,368</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

Accruing loans and leases past due 90 days or more **\$ 203,985** \$ 140,977 \$ 59,114 \$ 56,138 \$ 54,283

Accruing loans and leases past due 90 days or more as a percent of total loans and leases **0.50%** 0.35% 0.23% 0.23% 0.23%

<i>(in thousands)</i>	December 31,				
	2008	2007	2006	2005	2004
<b>Nonperforming assets, beginning of period</b>	<b>\$ 472,902</b>	<b>\$ 193,620</b>	<b>\$117,155</b>	<b>\$108,568</b>	<b>\$ 87,386</b>
New nonperforming assets	1,732,288	468,056	222,043	171,150	137,359
Acquired nonperforming assets	—	144,492	33,843	—	—
Returns to accruing status	(42,161)	(24,952)	(43,999)	(7,547)	(3,795)
Loan and lease losses	(221,831)	(126,754)	(46,191)	(38,819)	(37,337)
Payments	(194,692)	(86,093)	(59,469)	(64,861)	(43,319)
Sales	(109,860)	(95,467)	(29,762)	(51,336)	(31,726)
<b>Non-performing assets, end of period</b>	<b>\$1,636,646</b>	<b>\$ 472,902</b>	<b>\$193,620</b>	<b>\$117,155</b>	<b>\$108,568</b>

(1) 2008 commercial and industrial NALs include the Franklin Credit Management Corporation (Franklin) Tranche A loan.

(2) Represent impaired loans obtained from the Sky acquisition. Held for sale loans are carried at the lower of cost or fair value less costs to sell.

(3) Other NPAs represent certain investment securities backed by mortgage loans to borrowers with lower FICO scores.

(4) Nonperforming assets divided by the sum of loans and leases, impaired loans held for sale, net other real estate, and other NPAs.

(5) Represents accruing loans that have been restructured. 2008 includes both Tranche A and Tranche B of the Franklin relationship. Tranche B of the Franklin relationship was charged off in 2008.