

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K/A

(Mark One)

- Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the fiscal year ended December 31, 1998  
or  
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file Number 0-2525

Huntington Bancshares Incorporated  
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(Exact name of registrant as specified in its charter)

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

Huntington Center, 41 S. High Street, Columbus, OH 43287  
-----  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (614) 480-8300  
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Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:  
Common Stock - Without Par Value  
-----  
(Title of class)

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

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

The aggregate market value of voting stock held by non-affiliates of the registrant as of December 31, 1998, was \$5,598,777,206. As of January 31, 1999, 210,481,413 shares of common stock without par value were outstanding.

Documents Incorporated By Reference  
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Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement for the 1999 Annual Shareholders' Meeting.

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Huntington Bancshares Incorporated  
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Part I  
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ITEM 1: BUSINESS

Huntington Bancshares Incorporated (Huntington), incorporated in Maryland in 1966, is a multi-state bank holding company headquartered in Columbus, Ohio. Its subsidiaries conduct a full-service commercial and consumer banking business, engage in mortgage banking, lease financing, trust services, discount brokerage services, underwriting credit life and disability insurance, selling other insurance products, and issuing commercial paper guaranteed by Huntington, and provide other financial products and services. At December 31, 1998, Huntington's subsidiaries had 187 banking offices in Ohio, 135 banking offices in Michigan, 126 banking offices in Florida, 44 banking offices in West Virginia, 24 banking offices in Indiana, 13 banking offices in Kentucky, and one foreign office in the Cayman Islands and Hong Kong, respectively. The Huntington Mortgage Company (a wholly-owned subsidiary) has loan origination offices throughout the Midwest and East Coast. Foreign banking activities, in total or with any individual country, are not significant to the operations of Huntington. At December 31, 1998, Huntington and its subsidiaries had 10,159 full-time equivalent employees.

Competition in the form of price and service from other banks and financial companies such as savings and loans, credit unions, finance companies, and brokerage firms is intense in most of the markets served by Huntington and its subsidiaries. Mergers between and the expansion of financial institutions both within and outside Ohio have provided significant competitive pressure in

major markets. Since 1995, when federal interstate banking legislation became effective that made it permissible for bank holding companies in any state to acquire banks in any other state, actual or potential competition in each of Huntington's markets has been intensified. The same federal legislation permits further competition through interstate branching, subject to certain limitations by individual states.

On June 26, 1998, Huntington completed the acquisition of sixty former Barnett Banks banking offices in Florida from NationsBank Corporation (the Branch Purchase). The transaction was accounted for as a purchase; accordingly, the assets acquired and liabilities assumed were recorded at estimated fair value. The Branch Purchase added approximately \$1.3 billion in loans and \$2.3 billion in deposits. Intangible assets arising from the transaction totaled approximately \$460 million. The acquired branches' results of operations have been included in Huntington's consolidated totals from the date of the acquisition only.

On October 31, 1997, Huntington acquired The Bank of Winter Park (Winter Park), a \$90 million bank headquartered in Winter Park, Florida, for approximately 364,000 shares of Huntington common stock. On February 28, 1997, Huntington acquired Citi-Bancshares, Inc. (Citi-Bancshares), a \$548 million one-bank holding company headquartered in Leesburg, Florida, for \$47.7 million in cash and 2.9 million shares of Huntington common stock. These transactions were accounted for as purchases; accordingly, the results of Citi-Bancshares and Winter Park have been included in the consolidated financial statements from the date of acquisition.

On September 30, 1997, Huntington completed its acquisition of First Michigan Bank Corporation (First Michigan), a \$3.6 billion bank holding company headquartered in Holland,

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Michigan, in a transaction accounted for as a pooling of interests. Huntington issued approximately 32.2 million shares of common stock to the shareholders of First Michigan. All financial information reported by Huntington, except dividends per share, was restated for the First Michigan acquisition.

In December 1998, Huntington applied for regulatory approval for the merger of The Huntington State Bank, its state bank subsidiary in Ohio, into The Huntington National Bank, an interstate national bank. The merger was consummated in January 1999. As a result, The Huntington National Bank is Huntington's sole bank subsidiary.

#### REGULATORY MATTERS

##### GENERAL

As a registered bank holding company, Huntington is subject to the supervision of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). Huntington is required to file with the Federal Reserve Board reports and other information regarding its business operations and the business operations of its subsidiaries. It is also subject to examination by the Federal Reserve Board and is required to obtain Federal Reserve Board approval prior to acquiring, directly or indirectly, ownership or control of voting shares of any bank, if, after such acquisition, it would own or control more than 5% of the voting stock of such bank. In addition, pursuant to federal law and regulations promulgated by the Federal Reserve Board, Huntington may only engage in, or own or control companies that engage in, activities deemed by the Federal Reserve Board to be so closely related to banking as to be a proper incident thereto. Under legislation effective in 1996, Huntington may, in most cases, commence permissible new nonbanking business activities de novo with only subsequent notice to the Federal Reserve Board and may acquire smaller companies that engage in permissible nonbanking activities under an expedited procedure requiring only 12 business days notice to the Federal Reserve Board.

Huntington's national bank subsidiary has deposits insured by the Bank Insurance Fund ("BIF") of the Federal Deposit Insurance Corporation ("FDIC"). It is subject to supervision, examination, and regulation by the Office of the Comptroller of the Currency ("OCC"). Certain deposits of Huntington's national bank subsidiary were acquired from savings associations and are insured by the Savings Association Insurance Fund ("SAIF") of the FDIC. Huntington's nonbank subsidiaries are also subject to supervision, examination, and regulation by the Federal Reserve Board and examination by applicable federal and state banking agencies. In addition to the impact of federal and state supervision and regulation, the bank and nonbank subsidiaries of Huntington are affected significantly by the actions of the Federal Reserve Board as it attempts to control the money supply and credit availability in order to influence the economy.

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

#### HOLDING COMPANY STRUCTURE

Huntington's depository institution subsidiary is subject to affiliate transaction restrictions under federal law which limit the transfer of funds by the subsidiary bank to the parent and any nonbank subsidiaries of the parent, whether in the form of loans, extensions of credit, investments, or asset purchases. Such transfers by a subsidiary bank to its parent corporation or to any individual nonbank subsidiary of the parent are limited in amount to 10% of

bank's capital and surplus and, with respect to such parent together with all such nonbank subsidiaries of the parent, to an aggregate of 20% of the subsidiary bank's capital and surplus. Furthermore, such loans and extensions of credit are required to be secured in specified amounts. In addition, all affiliate transactions must be conducted on terms and under circumstances that are substantially the same as such transactions with unaffiliated entities. Under applicable regulations, at December 31, 1998, approximately \$222.7 million was available for loans to Huntington from its subsidiary bank.

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

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

#### DIVIDEND RESTRICTIONS

Dividends from its subsidiary bank are a significant source of funds for payment of dividends to Huntington's shareholders. In the year ended December 31, 1998, Huntington declared cash dividends to its shareholders of approximately \$161.4 million. There are, however, statutory limits on the amount of dividends that Huntington's depository institution subsidiary can pay to Huntington without regulatory approval.

Huntington's subsidiary bank may not, without prior regulatory approval, pay a dividend in an amount greater than such bank's undivided profits. In addition, the prior approval of the OCC is required for the payment of a dividend by a national bank if the total of all dividends declared by the bank in a calendar year would exceed the total of its net income for the year combined with its retained net income for the two preceding years. Under these provisions and in accordance with the above-described formula, Huntington's subsidiary bank could, without regulatory approval, declare dividends to Huntington in 1999 of approximately \$153.0 million plus an additional amount equal to its net profits during 1999.

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

#### FDIC INSURANCE

Under current FDIC practices, Huntington's bank subsidiary will not be required to pay deposit insurance premiums during 1999. However, the bank subsidiary will be required to make payments for the servicing of obligations of the Financing Corporation ("FICO") issued in connection with the resolution of savings and loan associations, so long as such obligations remain outstanding.

#### CAPITAL REQUIREMENTS

The Federal Reserve Board has issued risk-based capital ratio and leverage ratio guidelines for bank holding companies such as Huntington. The risk-based capital ratio guidelines establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposures into

explicit account in assessing capital adequacy, and minimizes disincentives to holding liquid, low-risk assets. Under the guidelines and related policies, bank holding companies must maintain capital sufficient to meet both a risk-based asset ratio test and a leverage ratio test on a consolidated basis. The risk-based ratio is determined by allocating assets and specified off-balance sheet commitments into four weighted categories, with higher weighting being assigned to categories perceived as representing greater risk. A bank holding company's capital (as described below) is then divided by total risk weighted assets to yield the risk-based ratio. The leverage ratio is determined by relating core capital (as described below) to total assets adjusted as specified in the guidelines. Huntington's subsidiary bank is subject to substantially similar capital requirements.

Generally, under the applicable guidelines, a financial institution's capital is divided into two tiers. Institutions that must incorporate market risk exposure into their risk-based capital requirements may also have a third tier of capital in the form of restricted short-term subordinated debt. "Tier 1", or core capital, includes common equity, noncumulative perpetual preferred stock (excluding auction rate issues), and minority interests in equity accounts of consolidated subsidiaries, less goodwill and, with certain limited exceptions, all other intangible assets. Bank holding companies, however, may include cumulative preferred stock in their Tier 1 capital, up to a limit of 25% of such Tier 1 capital. "Tier 2", or supplementary capital, includes, among other things, cumulative and limited-life preferred stock, hybrid capital instruments, mandatory convertible securities, qualifying subordinated debt, and the allowance for loan and lease losses, subject to certain limitations. "Total capital" is the sum of Tier 1 and Tier 2 capital.

The Federal Reserve Board and the other federal banking regulators require that all intangible assets, with certain limited exceptions, be deducted from Tier 1 capital. Under the Federal Reserve Board's rules, as amended on August 10, 1998, the only types of intangible assets that may be included in (i.e., not deducted from) a bank holding company's capital are originated or purchased mortgage servicing rights ("MSRs"), nonmortgage servicing assets ("NMSAs"), and purchased credit card relationships ("PCCRs"), provided that, in the aggregate, the total amount of MSRs, NMSAs, and PCCRs included in capital does not exceed 100% of

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Tier 1 capital. NMSAs and PCCRs are subject to a separate aggregate sublimit of 25% of Tier 1 capital. The amount of MSRs, NMSAs, and PCCRs that a bank holding company may include in its capital is limited to the lesser of (i) 90% of such assets' fair market value (as determined under the guidelines), or (ii) 100% of such assets' book value, each determined quarterly. Identifiable intangible assets (i.e., intangible assets other than goodwill) other than MSRs, NMSAs, and PCCRs, including core deposit intangibles, acquired on or before February 19, 1992 (the date the Federal Reserve Board issued its original proposal for public comment), generally will not be deducted from capital for supervisory purposes, although they will continue to be deducted for purposes of evaluating applications filed by bank holding companies.

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

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

The guidelines also provide that financial institutions experiencing internal growth or making acquisitions will be expected to maintain strong capital positions substantially above the minimum supervisory level. Furthermore, the Federal Reserve Board's guidelines indicate that the Federal Reserve Board will continue to consider a "tangible Tier 1 leverage ratio" in evaluating proposals for expansion or new activities. The tangible Tier 1 leverage ratio is the ratio of an institution's Tier 1 capital, less all intangibles, to total assets, less all intangibles.

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

As of December 31, 1998, the Tier 1 risk-based capital ratio, total risk-based capital ratio, and Tier I leverage ratio for Huntington were as follows:

	Requirement	Huntington
	-----	-----
<S>	<C>	<C>
Tier 1 Risk-Based Capital Ratio	4.00%	7.10%

Total Risk-Based Capital Ratio	8.00%	10.73%
Tier I Leverage Ratio	3.00%	6.37%

As of December 31, 1998, Huntington's bank subsidiary also had capital in excess of the minimum requirements.

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

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#### FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") substantially revised the bank regulatory and funding provisions of the Federal Deposit Insurance Act and made revisions to several other federal banking statutes. Among other things, FDICIA requires federal banking regulatory authorities to take "prompt corrective action" with respect to depository institutions that do not meet minimum capital requirements. For these purposes, FDICIA establishes five capital tiers: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

The federal banking regulatory agencies have adopted regulations to implement the prompt corrective action provisions of FDICIA. Among other things, the regulations define the relevant capital measures for the five capital categories. An institution is deemed to be "well capitalized" if it has a total risk-based capital ratio of 10% or greater, a Tier 1 risk-based capital ratio of 6% or greater, and a Tier I leverage ratio of 5% or greater and is not subject to a regulatory order, agreement, or directive to meet and maintain a specific capital level for any capital measure. An institution is deemed to be "adequately capitalized" if it has a total risk-based capital ratio of 8% or greater, a Tier 1 risk-based capital ratio of 4% or greater, and, generally, a Tier I leverage ratio of 4% or greater and the institution does not meet the definition of a "well capitalized" institution. An institution that does not meet one or more of the "adequately capitalized" tests is deemed to be "undercapitalized". If the institution has a total risk-based capital ratio that is less than 6%, a Tier 1 risk-based capital ratio that is less than 3%, or a Tier I leverage ratio that is less than 3%, it is deemed to be "significantly undercapitalized". Finally, an institution is deemed to be "critically undercapitalized" if it has a ratio of tangible equity (as defined in the regulations) to total assets that is equal to or less than 2%.

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

Under FDICIA, a depository institution that is not well capitalized is generally prohibited from accepting brokered deposits and offering interest rates on deposits higher than the prevailing rate in its market. Huntington expects that the FDIC's brokered deposit rule will not adversely affect the ability of its depository institution subsidiaries to accept brokered deposits. Under the regulatory definition of brokered deposits, Huntington's depository subsidiary had \$4.3 million of brokered deposits at December 31, 1998.

FDICIA, as amended, directs that each federal banking regulatory agency prescribe standards, by regulation or guideline, for depository institutions relating to internal controls, information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, compensation, asset quality, earnings, and stock valuation. The

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Federal Reserve Board and other federal banking agencies have adopted a regulation in the form of guidelines covering most of these items. Huntington believes that the regulation and guidelines will not have a material effect on the operations of its depository institution subsidiaries.

The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 ("Riegle-Neal") provides for nationwide interstate banking and branching. Under the law, interstate acquisitions of banks or bank holding companies in any state by bank holding companies in any other state became permissible as of September 29, 1995, and interstate branching and consolidations of existing bank subsidiaries in different states became permissible as of June 1, 1997. On June 30, 1997, Huntington availed itself of the interstate branching and consolidation authority by merging into its lead national bank subsidiary all of its other bank subsidiaries, except The Huntington State Bank, which was subsequently merged into Huntington's lead national bank subsidiary on January 29, 1999. As of that date, The Huntington National Bank was Huntington's sole bank subsidiary. Future bank acquisitions, if any, in states where Huntington formerly had a separate bank subsidiary, will not require compliance with Riegle-Neal entry provisions.

#### OTHER DEVELOPMENTS

The United States Congress considered but did not adopt comprehensive financial sector reform legislation during 1998. Such legislation, if adopted, would have allowed, inter alia, affiliations between banking organizations and insurance companies, and permitted activities currently prohibited by the Glass-Steagall Act. Similar legislation is expected to be considered by the United States Congress during 1999.

#### GUIDE 3 INFORMATION

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

#### ITEM 2: PROPERTIES

The headquarters of Huntington and its lead subsidiary, The Huntington National Bank, are located in the Huntington Center, a thirty-seven story office building located in Columbus, Ohio. Of the building's total office space available, Huntington occupies approximately 39 percent. The lease term expires in 2009, with renewal options for up to 50 years but with no purchase option. The Huntington National Bank has an equity interest in the entity that owns the building. Huntington's other major properties consist of a thirteen-story and a twelve-story office building, both of which are located adjacent to the Huntington Center; a twenty-one story office building, known as the Huntington Building, located in Cleveland, Ohio; an eighteen-story office building in Charleston, West Virginia; a three-story office building located in Holland, Michigan; an office building in Lakeland, Florida; an eleven-story office building in Sarasota, Florida; The Huntington Mortgage Company's building, located in the greater Columbus area; an office complex located in Troy, Michigan; and two data processing and operations centers located in Ohio. Of these properties, Huntington owns the thirteen-story and twelve-story office buildings. All of the other major properties are held under long-term leases.

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In 1998, Huntington entered into a sale/leaseback agreement that included the sale of 59 properties. The transaction included a mix of branch banking offices, regional offices, and operational facilities, including certain properties described above, which Huntington will continue to operate under long-term leases with terms expiring through the year 2020.

During the first half of 1999, Huntington expects to occupy its newly constructed Business Service Center. This 460,000 square foot facility will serve as Huntington's primary Operations and Data Center and will house approximately 1,800 employees.

#### ITEM 3: LEGAL PROCEEDINGS

Information required by this item is set forth in Item 8 in Note 16 of Notes to Consolidated Financial Statements on page 45.

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

Not Applicable.

#### Part II -----

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

The common stock of Huntington Bancshares Incorporated is traded on the NASDAQ Stock Market under the symbol "HBAN". The stock is listed as "HuntgBcshtr" or "HuntBanc" in most newspapers. As of January 31, 1999, Huntington had 35,182 shareholders of record.

Information regarding the high and low sale prices of Huntington Common Stock and cash dividends declared on such shares, as required by this item, is set forth in a table entitled "Market Prices, Key Ratios and Statistics (Quarterly Data)" on page 27 in Item 7. Information regarding restrictions on dividends, as required by this item, is set forth in Item 1 under the caption "Business-Regulatory Matters-Dividend Restrictions" on pages 4 and 5 above and in Item 8 in Notes 11 and 14 of Notes to Consolidated Financial Statements on pages 41 and 44, respectively.

On January 6, 1998, Huntington acquired Pollock and Pollock, an insurance agency

headquartered in Cleveland, Ohio ("Pollock"). In connection with this acquisition, Huntington issued 159,730 unregistered shares of Huntington common stock, without par value, to five shareholders of Pollock in exchange for all of the issued and outstanding Pollock capital stock. The issuance of shares in this transaction was deemed to be exempt from registration under the Securities Act of 1933, as amended, in reliance on Section 4(2) since this was a transaction by an issuer not involving a public offering.

ITEM 6: SELECTED FINANCIAL DATA

Information required by this item is set forth in Item 7 in Table 1 on page 10.

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

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TABLE 1  
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CONSOLIDATED SELECTED FINANCIAL DATA Year Ended December 31,  
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(in thousands of dollars, except per share amounts)

	1998	1997	1996	1995	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS						
Total interest income	\$ 1,999,364	\$ 1,981,473	\$ 1,775,734	\$ 1,709,627	\$ 1,418,610	\$ 1,410,401
Total interest expense	978,271	954,243	880,648	856,860	546,880	514,812
Net interest income	1,021,093	1,027,230	895,086	852,767	871,730	895,589
Securities gains	29,793	7,978	17,620	9,380	2,297	27,316
Provision for loan losses	105,242	107,797	76,371	36,712	21,954	84,682
Net income	301,768	292,663	304,269	281,801	276,320	266,925
Operating earnings (1)	362,068	338,897	304,269	281,801	276,320	266,925
PER COMMON SHARE (2)						
Net income						
Basic	1.43	1.39	1.44	1.29	1.27	1.25
Diluted	1.41	1.38	1.42	1.28	1.26	1.23
Diluted--Operating (1)	1.70	1.60	1.42	1.28	1.26	1.23
Cash dividends declared	0.76	0.68	0.62	0.56	0.51	0.42
Book value at year-end	10.20	9.60	8.60	8.35	7.54	7.08
BALANCE SHEET HIGHLIGHTS						
Total assets at year-end	28,296,336	26,730,540	24,371,946	23,495,337	20,688,505	20,214,835
Total long-term debt at year-end	707,359	498,889	550,531	517,202	555,514	580,605
Average long-term debt	620,688	526,379	515,664	529,140	561,872	612,617
Average shareholders' equity	2,064,241	1,893,788	1,776,151	1,742,826	1,621,443	1,415,839
Average total assets	\$ 26,891,558	\$ 25,150,659	\$ 23,374,490	\$ 22,098,785	\$ 19,498,530	\$ 19,340,577

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KEY RATIOS AND STATISTICS 1993  
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<S>

	1998	1997	1996	1995	1994
<C>	<C>	<C>	<C>	<C>	<C>
MARGIN ANALYSIS--AS A % OF AVERAGE EARNING ASSETS (3)					
Interest income	8.33%	8.52%	8.26%	8.43%	7.99%
Interest expense	4.05	4.08	4.07	4.19	3.04
NET INTEREST MARGIN	4.28%	4.44%	4.19%	4.24%	4.95%
RETURN ON					
Average total assets	1.12%	1.16%	1.30%	1.28%	1.42%
Average total assets--Operating (1)	1.35	1.35	1.30	1.28	1.42
Average shareholders' equity	14.62	15.44	17.13	16.17	17.04
Average shareholders' equity--Operating (1)	17.54	17.88	17.13	16.17	17.04
Dividend payout ratio	53.15	49.67	42.22	43.82	38.50

Average shareholders' equity to average total assets	7.68	7.53	7.60	7.89	8.32
Tier I risk-based capital ratio	7.10	8.83	8.11	8.66	9.67
Total risk-based capital ratio	10.73	11.68	11.29	12.01	13.32
Tier I leverage ratio	6.37%	7.77%	6.80%	6.99%	7.95%

</TABLE>  
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OTHER DATA	1998	1997	1996	1995	1994
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Full-time equivalent employees	10,159	9,485	9,467	9,083	9,642	<C>
Banking offices	531	454	429	406	420	

- (1) Reported net income, adjusted to exclude special charges and related taxes.  
(2) Adjusted for stock splits and stock dividends, as applicable.  
(3) Presented on a fully tax equivalent basis assuming a 35% tax rate.

INTRODUCTION

FORWARD-LOOKING STATEMENTS

Congress passed the Private Securities Litigation Reform Act of 1995 to encourage corporations to provide investors with information about the company's anticipated future financial performance, goals, and strategies. The act provides a safe harbor for such disclosure, or in other words, protection from unwarranted litigation if actual results are not the same as management's expectations.

Huntington Bancshares Incorporated (Huntington) desires to provide its shareholders with sound information about past performance and future trends. Consequently, this Form 10-K, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements including certain plans, expectations, goals, and projections--including without limitation those relating to Huntington's Year 2000 readiness--that are subject to numerous assumptions, risks, and uncertainties. Actual results could differ materially from those contained in or implied by Huntington's statements due to a variety of factors including: changes in economic conditions; movements in interest rates; competitive pressures on product pricing and services; success and timing of business strategies; the successful integration of acquired businesses; the nature, extent, and timing of governmental actions and reforms; the risks of Year 2000 disruption; and extended disruption of vital infrastructure. The management of Huntington encourages readers of this Form 10-K to understand forward-looking statements to be strategic objectives rather than absolute targets of future performance.

ACQUISITIONS AND OTHER STRATEGIC INITIATIVES

In June 1998, Huntington completed the acquisition of sixty former Barnett Banks banking offices in Florida from NationsBank Corporation (the Branch Purchase). The transaction was accounted for as a purchase; accordingly, the assets acquired and liabilities assumed were recorded at estimated fair

<TABLE>  
<CAPTION>  
TABLE 2

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

	1998			1997		
	Increase (Decrease) From Previous Year Due To:			Increase (Decrease) From Previous Year Due To:		
Fully Tax Equivalent Basis (2) (in millions of dollars)	Volume	Yield/Rate	Total	Volume	Yield/Rate	Total
Interest bearing deposits in banks	\$ 0.6	\$ (0.1)	\$ 0.5	\$ (0.3)	\$ --	\$ (0.3)
Trading account securities	--	--	--	(0.4)	0.1	(0.3)



Federal funds sold and securities purchased under resale agreements	10.4	0.1	10.5	(1.3)	(0.1)	(1.4)
Mortgages held for sale	11.1	(1.0)	10.1	1.4	--	1.4
Taxable securities	(28.7)	(2.3)	(31.0)	10.0	(3.9)	6.1
Tax-exempt securities	(1.6)	(1.8)	(3.4)	(2.6)	--	(2.6)
Total loans	76.9	(47.2)	29.7	145.6	56.7	202.3
<b>TOTAL EARNING ASSETS</b>	<b>68.7</b>	<b>(52.3)</b>	<b>16.4</b>	<b>152.4</b>	<b>52.8</b>	<b>205.2</b>
Interest bearing demand deposits	10.2	1.8	12.0	3.6	0.6	4.2
Savings deposits	7.5	6.1	13.6	7.0	7.1	14.1
Other domestic time deposits	24.1	(4.7)	19.4	22.2	(2.8)	19.4
Certificates of deposit of \$100,000 or more	(3.0)	0.6	(2.4)	22.6	1.3	23.9
Foreign time deposits	(16.0)	(0.3)	(16.3)	4.5	(0.7)	3.8
Short-term borrowings	(35.8)	(12.9)	(48.7)	(3.3)	0.6	(2.7)
Medium-term notes	52.3	(3.9)	48.4	9.3	(13.3)	(4.0)
Subordinated notes and other long-term debt, including capital securities	7.6	(9.5)	(1.9)	13.7	1.1	14.8
<b>TOTAL INTEREST BEARING LIABILITIES</b>	<b>46.9</b>	<b>(22.8)</b>	<b>24.1</b>	<b>79.6</b>	<b>(6.1)</b>	<b>73.5</b>
<b>NET INTEREST INCOME</b>	<b>\$ 21.8</b>	<b>\$ (29.5)</b>	<b>\$ (7.7)</b>	<b>\$ 72.8</b>	<b>\$ 58.9</b>	<b>\$ 131.7</b>

</TABLE>

- (1) The change in interest rates due to both rate and volume has been allocated between the factors in proportion to the relationship of the absolute dollar amounts of the change in each.
- (2) Calculated assuming a 35% tax rate.

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value. The Branch Purchase added approximately \$1.3 billion in loans and \$2.3 billion in deposits. Intangible assets arising from the transaction totaled approximately \$460 million. The acquired branches' results of operations have been included in Huntington's consolidated totals from the date of the acquisition only.

In October 1998, Huntington announced several initiatives to strengthen the company's financial performance. These included the realignment of the banking network; the exit of under-performing product lines and delivery channels; implementation of numerous cost savings measures, including the reduction of approximately 10% of workforce positions; and a repositioning of the balance sheet to maximize returns on equity. When fully implemented, management anticipates that these actions will result in an estimated \$125 million in sustainable pretax annual profit improvements. In connection with these initiatives, Huntington incurred one-time, pre-tax expenses of \$90 million in the fourth quarter of 1998. This special charge included \$32 million related to exit activities, \$26 million for severance and other personnel-related items, \$20 million from the closure of banking offices, and \$12 million of fixed asset write-offs.

"Operating" results, as used below, refers to Huntington's financial performance before the impact of the fourth quarter 1998 special charges and the merger-related expenses incurred in connection with the acquisition in 1997 of First Michigan Bank Corporation, a \$3.6 billion bank holding company headquartered in Holland, Michigan (First Michigan).

#### OVERVIEW

Huntington's operating earnings totaled \$362.1 million in 1998, up from \$338.9 million in the preceding year, and \$304.3 million in 1996. On a diluted per share basis, operating earnings were \$1.70 in the recent year, versus \$1.60 and \$1.42, respectively, in 1997 and 1996. Reported net income for 1998, including special charges, was \$301.8 million, or \$1.41 per share. Per share amounts for all prior periods have been restated to reflect the ten percent stock dividend distributed to shareholders in July 1998.

<TABLE>

<CAPTION>

TABLE 3

LOAN PORTFOLIO COMPOSITION (in millions of dollars)	DECEMBER 31,				
	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Commercial	\$ 6,027	\$ 5,271	\$ 5,130	\$ 4,869	\$ 4,285
Real Estate					
Construction	919	864	699	524	414
Mortgage	3,640	3,598	3,623	3,552	3,736
Consumer					
Loans	6,958	6,463	6,123	5,741	5,214
Lease financing	1,911	1,542	1,183	784	572
<b>TOTAL LOANS</b>	<b>\$19,455</b>	<b>\$17,738</b>	<b>\$16,758</b>	<b>\$15,470</b>	<b>\$14,221</b>

</TABLE>

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

<TABLE>  
 <CAPTION>  
 TABLE 4

-----  
 MATURITY SCHEDULE OF SELECTED LOANS  
 -----

(in millions of dollars)

DECEMBER 31, 1998

	Within One Year	After One But Within Five Years	After Five Years	Total
<S>	<C>	<C>	<C>	<C>
Commercial	\$ 1,371	\$ 3,815	\$ 841	\$ 6,027
Real estate - construction	381	402	136	919
<b>TOTAL</b>	<b>\$ 1,752</b>	<b>\$ 4,217</b>	<b>\$ 977</b>	<b>\$ 6,946</b>
Variable interest rates		\$ 2,451	\$ 649	
Fixed interest rates		\$ 1,766	\$ 328	

</TABLE>

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On an operating basis, return on average equity (ROE) was 17.54% in 1998 and return on average assets (ROA) was 1.35%. In the two preceding years, ROE was 17.88% and 17.13%, respectively, and ROA was 1.35% and 1.30%. Adjusted for the impact of intangible assets and related amortization expense, "cash" basis ROE improved to 24.35% for 1998, compared with 21.36% for 1997 and 19.88% in 1996. Cash basis ROA was 1.45% in the recent twelve months versus 1.41% and 1.36% in 1997 and 1996, respectively.

Total assets were \$28.3 billion at December 31, 1998, up nearly 6% from year-end 1997. The Branch Purchase drove much of the asset growth, complemented by new loan production, including a significant increase in mortgages held for sale. A strategic repositioning of the balance sheet, designed to improve equity returns, resulted in other portions of the balance sheet showing reductions from 1997. These initiatives included the sale of \$3.4 billion of securities available for sale, the exit of out-of-market credit card operations through the sale of approximately \$90 million of loans outstanding, and the closure of the Pittsburgh indirect loan production office. Huntington also sold 59 properties with a book value approximating \$110 million, that included a mix of branch banking offices, regional offices, and operations facilities, which the company will continue to operate under long-term leases.

Adjusted for the impact of the Branch Purchase and loan sales/securitizations, average total loans outstanding were up 4.2% from 1997. Both commercial and consumer loans grew more than 5%. Residential mortgage refinancing activity, coupled with the impact of the General Motors strike on automobile dealer floor plan lending, softened overall loan growth.

Core deposits, adjusted for the Branch Purchase, increased 3.1% with particular strength in transaction accounts and savings products--up 5.5% and 3.2%, respectively. Core deposits represent Huntington's most significant source of funding; when combined with other core funding sources, they provide approximately 76% of Huntington's funding needs.

In terms of wholesale liabilities, Huntington issued \$300 million of subordinated notes in 1998 as well as an additional \$100 million of capital securities through Huntington Capital II, a special-purpose subsidiary.

LINES OF BUSINESS

For internal reporting and planning purposes, Huntington segments its operations into five distinct lines of business: retail banking, corporate banking, dealer sales, private financial group, and treasury/other. Line of business results are determined based upon Huntington's business profitability reporting system which assigns balance sheet and income statement items to each of the business segments identified above. This is a dynamic process that mirrors Huntington's organizational and management structure. Accordingly, the results are not necessarily comparable with similar information published by other financial institutions that may define business segments differently. In addition, methodologies used to assign certain balance sheet, income statement, and overhead items may change as Huntington continues to refine the data and its allocation assumptions used to present segment information.

A description of each line of business and its operating earnings contribution is discussed below:

RETAIL BANKING

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

## CORPORATE BANKING

Customers in this segment represent the small, middle-market, and large corporate banking relationships which use a variety of banking products and services including, but not limited to, commercial loans, asset based financing, international trade, and cash management. Huntington's capital markets division also provides alternative financing solutions for larger business clients, including privately placed debt and syndicated commercial lending.

## DEALER SALES

Dealer Sales product offerings pertain to the automobile lending sector and include floor plan financing, as well as indirect consumer loans and leases. Indirect consumer lending comprises the vast majority of the business and involves dealerships selling Huntington's products to individuals purchasing or leasing vehicles.

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## PRIVATE FINANCIAL GROUP

Huntington's Private Financial Group (PFG) provides an array of products and services designed to meet the needs of Huntington's higher wealth banking customers. Revenue is derived through personal trust, asset management, investment advisory, and other wealth management services. Huntington's Private Financial Group provides customers with "one-stop shopping" for all their financial needs.

## TREASURY/OTHER

Huntington uses a match-funded transfer pricing system to allocate interest income and interest expense to its business segments. This approach consolidates the interest rate risk management of the company into its Treasury Group. As part of its overall interest rate risk and liquidity management strategy, Treasury administers an investment portfolio of approximately \$5 billion. Revenue and expense associated with these activities remain within Treasury. Additionally, the Treasury/Other group absorbs unassigned equity that may be used to fund acquisitions or other internal growth initiatives. Costs associated with intangibles that have not been allocated to the major business lines are also included in the Other category.

## EARNINGS CONTRIBUTION BY BUSINESS SEGMENT

-----

Retail banking provided 43% of Huntington's operating earnings for 1998. This segment represents 36% of Huntington's outstanding loan portfolio, and generates retail deposits, the key source of funding for Huntington. Retail Banking is allocated from Treasury a "deposit credit" based on the cost of deposits gathered versus rates available on wholesale funds of similar duration. The Corporate Banking lending portfolio represents approximately 31% of Huntington's total loan book and was responsible for 29% of 1998 operating earnings. Dealer Sales represented 29% of the loans outstanding and provided a 14% earnings contribution in the recent year. Private Financial Group, a very profitable and growing business segment, generated 6% of the annual operating earnings, mostly driven by its fee-based services. Treasury/Other includes approximately \$30 million of securities gains in 1998.

[PIE GRAPH]

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## RESULTS OF OPERATIONS

### NET INTEREST INCOME

-----

Huntington's net interest income was \$1,021.1 million in 1998, compared with \$1,027.2 million and \$895.1 million, respectively, in 1997 and 1996. The net interest margin, on a fully tax equivalent basis, was 4.28% during the recent twelve months, versus 4.44% and 4.19% in the two preceding years. The margin decline is primarily due to the drop in earning asset yields, as the highly competitive marketplace continues to erode loan spreads across much of the banking industry. Interest rate swaps and other off-balance sheet financial instruments used for asset/liability management purposes provided benefits of \$27.3 million and \$6.0 million in the recent two years versus a reduction of \$52.1 million in 1996.

### PROVISION AND ALLOWANCE FOR LOAN LOSSES

-----

The provision for loan losses was \$105.2 million in 1998, down slightly from \$107.8 million one year ago. In 1996, the provision totaled \$76.4 million. Net charge-offs as a percent of average total loans were .51% in the year just ended versus .50% in 1997 and .44% in 1996. Consumer losses were up 10.1% from 1997, while commercial charge-offs increased 5.6%.

The allowance for loan losses (ALL) is maintained at a level considered appropriate by management, based on its estimate of probable losses in the loan portfolio. The procedures employed by Huntington in evaluating the adequacy of

the ALL include an analysis of specific credits that are generally selected for review on the basis of size and relative risk, portfolio trends, recent loss experience, prevailing economic conditions, and other relevant factors. For analytical purposes, the ALL has been allocated to various portfolio segments. However, the total ALL is available to absorb losses from any segment of the portfolio.

At December 31, 1998, the ALL was \$290.9 million and represented 1.50% of total loans, up modestly from 1.46% a year ago. The ALL covered non-performing loans more than three times, consistent with the prior year's level. Additional information regarding the ALL and asset quality appears in the section "Credit Risk".

NON-INTEREST INCOME  
-----

Non-interest income totaled \$438.2 million in 1998, versus \$342.8 million and \$314.1 million, respectively, in 1997 and 1996. Excluding securities gains, non-interest income increased 22% over last year. Fee income continues to be a growing source of revenue for Huntington, as it represented 28.6% of total revenues in the recent year, versus 24.6% in 1997. Improvements were evident in all non-interest income categories, led by brokerage and insurance services, electronic banking, and mortgage banking. Huntington also generated \$28.7 million of income from Bank Owned Life Insurance policies in 1998. Included in "Other" non-interest income is a gain of \$9.5 million from the sale of Huntington's out-of-market credit card portfolio.

NON-INTEREST EXPENSE  
-----

On an operating basis, non-interest expense was \$823.9 million, compared with \$751.9 million and \$675.5 million in the two preceding years. Fueling the expenses were higher sales commissions related to growth in fee-based businesses; additional telecommunication costs resulting from continued expansion of Huntington's ATM network; contract programming for Year 2000 remediation; systems conversions and other costs of consolidating operations; and intangible asset amortization attributable to the Branch Purchase.

Huntington believes it is well positioned to achieve significant efficiencies in the future. The movement to a common operating platform is substantially completed, banking activities are provided under a single interstate charter, and the number of operations and processing centers has been significantly reduced. Moreover, the company recently announced several additional strategic actions that are expected to enhance profitability, including its plans to close approximately 39 underperforming banking offices and terminate certain business activities including employee benefit plan administrative services. In connection with the initiatives, Huntington expects to eliminate approximately 1,000 positions, or roughly 10% of its work force.

During the fourth quarter of 1998, Huntington recorded a \$90 million (approximately \$60 million net of taxes, or \$.28 per share) special charge as a result of the above-mentioned strategic actions. It is anticipated that the exit activities and the closure of banking offices will be completed by the end of 1999. At the recent year end, approximately \$54 million of the reserves remained from the special charge. See note 2 to the Consolidated Financial Statements for additional information regarding the 1998 Special Charge.

<TABLE>  
<CAPTION>  
TABLE 5  
SUMMARY OF ALLOWANCE FOR LOAN LOSSES AND SELECTED STATISTICS

(in thousands of dollars)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
ALLOWANCE FOR LOAN LOSSES, BEGINNING OF YEAR	\$ 258,171	\$ 230,778	\$ 222,487	\$ 225,225	\$ 233,123
LOAN LOSSES					
Commercial	(24,512)	(23,276)	(23,904)	(15,947)	(11,450)
Real estate					
Construction	(80)	(375)	--	(392)	(5,957)
Mortgage	(3,358)	(2,663)	(2,768)	(5,086)	(5,840)
Consumer					
Loans	(84,961)	(74,761)	(59,843)	(39,000)	(27,283)
Leases	(13,444)	(9,648)	(4,492)	(1,989)	(962)
Total loan losses	(126,355)	(110,723)	(91,007)	(62,414)	(51,492)
RECOVERIES OF LOANS PREVIOUSLY CHARGED OFF					
Commercial	4,546	4,373	4,884	3,696	8,204
Real estate					
Construction	441	111	556	5	1
Mortgage	2,167	619	1,402	977	859
Consumer					
Loans	23,140	16,382	13,457	11,156	10,830
Leases	1,554	1,057	721	303	353
Total recoveries of loans previously charged off	31,848	22,542	21,020	16,137	20,247

NET LOAN LOSSES	(94,507)	(88,181)	(69,987)	(46,277)	(31,245)
PROVISION FOR LOAN LOSSES	105,242	107,797	76,371	36,712	21,954
ALLOWANCE ACQUIRED/OTHER	22,042	7,777	1,907	6,827	1,393
ALLOWANCE FOR LOAN LOSSES, END OF YEAR	\$ 290,948	\$ 258,171	\$ 230,778	\$ 222,487	\$ 225,225
AS A % OF AVERAGE TOTAL LOANS					
Net loan losses	0.51%	0.50%	0.44%	0.30%	0.23%
Provision for loan losses	0.57%	0.61%	0.48%	0.24%	0.16%
Allowance for loan losses as a % of total loans (end of period)	1.50%	1.46%	1.38%	1.44%	1.58%
Net loan loss coverage (1)	6.72x	7.01x	7.62x	10.07x	13.86x

(1) Income before income taxes (excluding special charges) and the provision for loan losses to net loan losses.

<TABLE>  
<CAPTION>

TABLE 6  
ALLOCATION OF ALLOWANCE FOR LOAN LOSSES

	1998		1997		1996		1995		1994	
(in thousands of dollars)	Percent of Loans to Total Loans		Percent of Loans to Total Loans		Percent of Loans to Total Loans		Percent of Loans to Total Loans		Percent of Loans to Total Loans	
Commercial	\$ 82,129	31.0%	\$ 86,439	29.7%	\$113,555	30.6%	\$119,200	31.5%	\$133,542	30.1%
Real estate										
Construction	11,112	4.7	8,140	4.9	2,033	4.2	2,258	3.4	1,454	2.9
Mortgage	40,070	18.7	38,598	20.3	18,987	21.6	18,179	23.0	20,601	26.3
Consumer										
Loans	104,198	35.8	75,405	36.4	54,564	36.5	43,880	37.1	36,315	36.7
Leases	17,823	9.8	6,631	8.7	3,457	7.1	3,651	5.0	2,632	4.0
Unallocated	35,616	--	42,958	--	38,182	--	35,319	--	30,681	--
Total	\$290,948	100.0%	\$258,171	100.0%	\$230,778	100.0%	\$222,487	100.0%	\$225,225	100.0%

</TABLE>

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In connection with the acquisition of First Michigan in 1997, Huntington incurred a merger-related charge of \$51 million consisting primarily of personnel, facilities, and systems costs, as well as \$12 million of professional fees and other costs to effect the business combination. At December 31, 1998, the merger-related reserve had been fully used.

PROVISION FOR INCOME TAXES

The provision for income taxes was \$138.4 million in 1998, down from \$166.5 million in 1997, and \$153.0 million in 1996. Huntington's effective tax rate decreased to 31.4% in the recent year versus 36.3% in 1997. The lower rate is due primarily to a higher mix of tax-exempt income. In addition, the 1997 rate was higher than normal as a result of significant nondeductible expenses incurred in connection with the First Michigan and other bank acquisitions.

YEAR 2000

The Year 2000 problem is the result of many existing computer programs using only the last two-digits, as opposed to four digits, to indicate the year. Such computer systems may be unable to recognize a year that begins with "20" instead of "19". If not corrected, many computer programs could cause systems to fail or other computer errors, leading to possible disruptions in operations or creation of erroneous results.

Huntington, in an enterprise-wide effort, is taking steps to ensure that its internal systems are secure from such failure and that its current products will perform. The company's Year 2000 Plan (the Plan) addresses all systems, software, hardware, and infrastructure components. In addition, business processes are being assessed and validated throughout the organization.

The Plan identifies and addresses "Mission Critical" and "Non-mission Critical" components for Information Technology (IT) systems, Non-information Technology (Non-IT) systems, and business processes. IT includes, for example, systems that service loan and deposit customers. Non-IT systems include, among other things, security systems, elevators, utilities, and voice/data communications. An application, system, or process is Mission Critical if it is vital to the successful continuance of a core business activity.

Huntington's progress towards meeting the Plan's goals for both IT and Non-IT systems, which follows a five phase approach recommended by federal bank regulators, is as follows:

<TABLE>  
<CAPTION>

Phase	Percent Complete	Completion Date
<b>MISSION CRITICAL</b>		
Awareness	100%	06/30/1998
Assessment	100%	09/30/1998
Renovation	95%	06/30/1999
Testing/Validation	95%	06/30/1999
Implementation	73%	06/30/1999
<b>NON-MISSION CRITICAL</b>		
Awareness	100%	06/30/1998
Assessment	100%	12/31/1998
Renovation	90%	06/30/1999
Testing/Validation	63%	06/30/1999
Implementation	58%	10/31/1999

Huntington depends on various third-party vendors, suppliers, and service providers. The activities undertaken by these third parties can vary from processing and settlement of automated teller transactions to mortgage loan processing. Huntington will be dependent on the continued service by its vendors, suppliers, service providers, and ultimately its customers' continued operations in order to avoid business interruptions. Any interruption in a third party's ability to provide goods and services, such as issues with telecommunication links, power, and transportation, could present problems. Huntington has identified approximately ten material third-party relationships with a focus on those considered "Mission Critical." Huntington is presently working with each of these parties to test transactions and/or interfaces between its processors, obtain appropriate information from each party, or assess each party's ability to be prepared for the Year 2000.

Over forty full-time staff members are dedicated to the Year 2000 effort and, on a part-time basis, multitudes of internal personnel from various disciplines throughout the Huntington organization are also working on this project. Furthermore, Huntington has engaged an independent consultant to establish a Year 2000 Program Management Office (PMO). The PMO organizes Huntington's Year 2000 project management activities beyond the technical information services group into all business units. The PMO creates the methodology that is used in every business unit and also brings a quality assurance process that reviews the thoroughness of the actions taken to remedy the Year 2000 problem.

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Identifiable costs for the Year 2000 project incurred in 1998 were \$13.1 million. Management estimates it will cost an additional \$16 million to bring its systems and business processes into compliance and to implement elements of its contingency plan. However, these expenses are not expected to materially impact operating results in any one period. These estimated costs incorporate not only incremental third-party expenses but also include salary and benefit costs of employees redeployed and full implementation of a call center to handle increased customer inquiries before and after January 1, 2000.

Major business risks associated with the Year 2000 problem include, but are not limited to, infrastructure failures, disruptions to the economy in general, excessive cash withdrawal activity, closure of government offices, foreign banks, and clearing houses, and increased problem loans and credit losses in the event that borrowers fail to properly respond to the problem. These risks, along with the risk of Huntington failing to adequately complete the remaining phases of its project work and the resulting possible inability to properly process core business transactions and meet contractual servicing agreements, could expose Huntington to loss of revenues, litigation, and asset quality deterioration.

The Year 2000 problem is unique in that it has never previously occurred; thus, it is not possible to completely foresee or quantify the overall or any specific financial or operational impacts to Huntington or to third parties which provide Mission Critical services to the company. Huntington has, however, implemented several proactive processes to identify and mitigate risk involving systems and processes over which it has control, including strengthening its Business Resumption Plan for the Year 2000 by adding alternatives for systems and networks in support of critical applications. The modifications to Huntington's contingency plan are now complete and have been tested and validated for all core business processes. Huntington's senior management believes successful modifications to existing systems and conversions to new systems will substantially reduce the risk of Year 2000 disruption.

INTEREST RATE RISK AND LIQUIDITY MANAGEMENT

INTEREST RATE RISK MANAGEMENT

Huntington seeks to achieve consistent growth in net interest income and net income while managing volatility arising from shifts in interest rates. The Asset and Liability Management Committee (ALCO) oversees financial risk management, establishing broad policies and specific

<TABLE>  
<CAPTION>  
TABLE 7

INVESTMENT SECURITIES	DECEMBER 31,		
(in thousands of dollars)	1998	1997	1996
<S>	<C>	<C>	<C>
U.S. Treasury and Federal Agencies	\$ 156	\$ 656	\$111,559
States and political subdivisions	24,778	32,354	233,458
Other Securities	--	--	118
TOTAL INVESTMENT SECURITIES	\$ 24,934	\$ 33,010	\$345,135

</TABLE>

<TABLE>

<CAPTION>

AMORTIZED COST AND FAIR VALUES BY MATURITY  
AT DECEMBER 31, 1998

(in thousands of dollars)	AMORTIZED COST	FAIR VALUE	YIELD
<S>	<C>	<C>	<C>
U.S. Treasury and Federal Agencies			
1-5 years	\$ 156	\$ 156	6.57%
Total	156	156	
States and political subdivisions			
Under 1 year	4,318	3,937	8.45%
1-5 years	13,310	13,530	7.59%
6-10 years	5,463	5,674	8.44%
Over 10 years	1,687	1,747	8.70%
Total	24,778	24,888	
TOTAL INVESTMENT SECURITIES	\$24,934	\$25,044	

</TABLE>

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

operating limits that govern a variety of financial risks inherent in Huntington's operations, including interest rate, liquidity, counterparty, settlement, and market risks. On and off-balance sheet strategies and tactics are reviewed and monitored regularly by ALCO to ensure consistency with approved risk tolerances.

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

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Measurement and monitoring of interest rate risk is an ongoing process. A key element in this process is Huntington's estimation of the amount that net interest income will change over a twelve to twenty-four month period given a directional shift in interest rates. The income simulation model used by Huntington captures all assets, liabilities, and off-balance sheet financial instruments, accounting for significant variables that are believed to be affected by interest rates. These include prepayment speeds on mortgages and consumer installment loans, cash flows of loans and deposits, principal amortization on revolving credit instruments, and balance sheet growth assumptions. The model also captures embedded options, e.g. interest rate caps/floors or call options, and accounts for changes in rate relationships, as various rate indices lead or lag changes in market rates. While these assumptions are inherently uncertain, management assigns probabilities and, therefore, believes that, at any point in time, the model provides a reasonably accurate estimate of Huntington's interest rate risk exposure. Management reporting of this information is regularly shared with the Board of Directors.

At December 31, 1998, the results of Huntington's interest sensitivity analysis indicated that net interest income would increase by approximately 1% given a 100 to 200 basis point decrease in the federal funds rate (assuming the change occurs evenly over the next year and that corresponding changes in other market rates occur as forecasted). Net interest income would be expected to decrease by approximately 1% if rates rose 100 basis points and would drop 2% in the event of a 200 basis point increase.

Active interest rate risk management necessitates the use of various types

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

<TABLE>

<CAPTION>

TABLE 8

SECURITIES AVAILABLE FOR SALE		December 31,	
(in thousands of dollars)	1998	1997	1996
U.S. Treasury and Federal Agencies	\$4,096,134	\$5,001,034	\$4,714,821
Other	685,281	708,780	494,572
<b>TOTAL SECURITIES AVAILABLE FOR SALE</b>	<b>\$4,781,415</b>	<b>\$5,709,814</b>	<b>\$5,209,393</b>

</TABLE>

<TABLE>

<CAPTION>

AMORTIZED COST AND FAIR VALUES BY MATURITY  
AT DECEMBER 31, 1998

(in thousands of dollars)	AMORTIZED COST	FAIR VALUE	YIELD(1)
U.S. Treasury			
Under 1 year	\$ 1,000	\$ 1,007	7.00%
1-5 years	63,537	65,364	5.50%
6-10 years	169,959	176,945	5.52%
Total	234,496	243,316	
Federal Agencies			
Mortgage-backed securities			
1-5 years	11	11	8.13%
6-10 years	87,342	89,162	6.79%
Over 10 years	1,356,722	1,363,015	6.40%
Total	1,444,075	1,452,188	
Other agencies			
1-5 years	968,753	975,253	6.00%
6-10 years	678,245	684,230	5.71%
Over 10 years	740,139	741,147	6.39%
Total	2,387,137	2,400,630	
Total U.S. Treasury and Federal Agencies	4,065,708	4,096,134	
Other			
Under 1 year	7,492	7,478	8.33%
1-5 years	188,551	190,871	7.48%
6-10 years	204,788	210,698	7.36%
Over 10 years	268,319	268,930	6.05%
Marketable equity securities	8,359	7,304	5.52%
Total	677,509	685,281	
<b>TOTAL SECURITIES AVAILABLE FOR SALE</b>	<b>\$4,743,217</b>	<b>\$4,781,415</b>	

</TABLE>

At December 31, 1998, Huntington had no concentrations of securities by a single issuer in excess of 10% of shareholders' equity.

(1) Weighted average yields were calculated on the basis of amortized cost.

<TABLE>

<CAPTION>

TABLE 9



LIABILITY CONVERSION SWAPS							
(in millions of dollars)	ASSET CONVERSION SWAPS	Receive Fixed	Receive fixed- amortizing	Pay fixed	Total	BASIS PROTECTION SWAPS	
(1)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Notional value	\$ 941	\$ 1,620	\$ 152	\$ 975	\$ 2,747	\$	985
Average maturity (years)	3.60	3.88	0.90	2.57	3.25		1.27
Market value	\$ 7.0	\$ 41.2	\$ 0.3	\$ (9.8)	\$ 31.7	\$	(0.1)
Average rate:							
Receive	6.22%	6.33%	5.63%	5.35%	5.94%		5.23%
Pay	5.29	5.43	5.62	5.25	5.38		5.14

(1) Receive fixed only at December 31, 1998.

Table 9 above illustrates the approximate market values, estimated maturities and weighted average rates of the interest rate swaps used by Huntington in its interest rate risk management program at December 31, 1998.

As is the case with cash securities, the market value of interest rate swaps is largely a function of the financial market's expectations regarding the future direction of interest rates. Accordingly, current market values are not necessarily indicative of the future impact of the swaps on net interest income. This will depend, in large part, on the shape of the yield curve as well as interest rate levels. With respect to the variable rate information and the indexed amortizing swap maturities presented in Table 9, management made no assumptions regarding future changes in interest rates.

The pay rates on Huntington's receive-fixed swaps vary based on movements in the applicable London interbank offered rate (LIBOR). Receive-fixed asset conversion swaps and receive-fixed liability conversion swaps with notional values of \$600 million and \$800 million, respectively, have embedded written LIBOR-based call options. The portfolio of amortizing swaps consists primarily of contracts that are indexed to the prepayment experience of a specified pool of mortgage loans. As market interest rates change, the amortization of the notional value of the swap will also change, generally slowing as rates increase and accelerating when rates fall. Basis swaps are contracts that provide for both parties to receive interest payments according to different rate indices and are used to protect against changes in spreads between market rates.

The notional values of the swap portfolio represent contractual amounts on which interest payments to be exchanged are based. These notional values do not represent direct credit exposures. At December 31, 1998, Huntington's credit risk from interest rate swaps used for asset/liability management purposes was \$103.4 million, which represents the sum of the aggregate fair value of positions that have become favorable to Huntington, including any accrued interest receivable due from counterparties. In order to minimize the risk that a swap counterparty will not satisfy its interest payment obligation under the terms of the contract, Huntington performs credit reviews on all counterparties, restricts the number of counterparties used to a select group of high quality institutions, obtains collateral, and enters into formal netting arrangements. Huntington has never experienced any past due amounts from a swap counterparty and does not anticipate nonperformance in the future by any such counterparties.

The total notional amount of off-balance sheet instruments used by Huntington on behalf of customers (for which the related interest rate risk is offset by third party contracts) was \$564 million at December 31, 1998. Total credit exposure from such contracts is not material. These separate activities, which are accounted for at fair value, are not a significant part of Huntington's operations. Accordingly, they have been excluded from the above discussion of off-balance sheet financial instruments and the related table.

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<TABLE>  
<CAPTION>  
TABLE 10

MATURITY OF DOMESTIC CERTIFICATES OF DEPOSIT OF  
\$100,000 OR MORE AS OF DECEMBER 31, 1998

(in thousands of dollars)

<S>	<C>
Three months or less	\$ 900,764
Over three through six months	390,580
Over six through twelve months	265,308
Over twelve months	142,609
Total	\$ 1,699,261

</TABLE>

LIQUIDITY MANAGEMENT

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

A chief source of Huntington's liquidity is derived from the large retail deposit base accessible by its network of geographically dispersed banking offices. This core funding is supplemented by Huntington's demonstrated ability to raise funds in capital markets and to access funds nationwide. The company's \$6 billion domestic bank note and \$2 billion European bank note programs are significant sources of wholesale funding. Under these programs, unsecured senior and subordinated notes are issuable with maturities ranging from one month to thirty years. A similar \$750 million note program exists at the parent holding company, the proceeds from which are used from time to time to fund certain non-banking activities, finance acquisitions, repurchase Huntington's common stock, or for other general corporate purposes. At December 31, 1998, approximately \$5.2 billion of notes were available under these programs to fund Huntington's future activities. Huntington also has \$300 million of capital securities outstanding through its wholly-owned subsidiaries, Huntington Capital I and II. A \$200 million line of credit is also available to the parent holding company to support commercial paper borrowings and other short-term working capital needs.

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

<TABLE>  
<CAPTION>  
TABLE 11

SHORT-TERM BORROWINGS (in thousands of dollars)	Year Ended December 31,		
	1998	1997	1996
<S>	<C>	<C>	<C>
FEDERAL FUNDS PURCHASED AND REPURCHASE AGREEMENTS			
Balance at year-end	\$2,137,374	\$3,064,344	\$3,309,445
Weighted average interest rate at year-end	4.05%	5.26%	5.21%
Maximum amount outstanding at month-end during the year	\$2,897,385	\$3,387,690	\$3,309,445
Average amount outstanding during the year	\$1,980,648	\$2,733,764	\$2,766,185
Weighted average interest rate during the year	4.72%	5.15%	5.16%

CREDIT RISK

Huntington's exposure to credit risk is managed through the use of consistent underwriting standards that emphasize "in-market" lending to established borrowers. Highly leveraged transactions and excessive industry or other concentrations are avoided. The credit administration function also employs extensive monitoring procedures to ensure problem loans are promptly identified and that loans adhere to corporate policy. These procedures provide executive management with the information necessary to implement appropriate change and take corrective action as needed.

Non-performing assets consist of loans that are no longer accruing interest, loans that have been renegotiated based upon financial difficulties of the borrower, and real estate acquired through foreclosure. Total non-performing assets were \$96.1 million and \$87.1 million, respectively, at December 31, 1998 and 1997. As of these same dates, non-performing loans represented .40% of total loans, and non-performing assets as a percent of total loans and other real estate were .49%. Loans past due ninety days or more but continuing to accrue interest were \$51.0 million at the end of the recent year, up only slightly from \$49.7 million in 1997.

Huntington also actively manages potential problem loans that are current as to principal and interest but require closer monitoring in the event of deterioration in borrower performance. These potential problem credits totaled \$27.1 million and \$54.2 million, respectively, at December 31, 1998, and 1997.

CAPITAL AND DIVIDENDS

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

subsidiary based upon the respective risks and growth opportunities, as well as regulatory requirements.

Average shareholders' equity for the twelve months ended December 31, 1998, and 1997 was \$2.1 billion and \$1.9 billion, respectively. Huntington's ratio of average equity to average assets in the recent twelve months was 7.68%, compared with 7.53% one year ago.

Risk-based capital guidelines established by the Federal Reserve Board set minimum capital requirements and require institutions to calculate risk-based capital ratios by assigning risk weightings to assets and off-balance sheet items, such as interest rate swaps and loan commitments. These guidelines further define "well-capitalized" levels for Tier 1, Total Capital, and Leverage ratio purposes at 6%, 10%, and 5%, respectively. At the recent year end, Huntington's Tier 1 risk-based capital ratio was 7.10%, its total risk-based capital ratio was 10.73%, and its leverage ratio was 6.37%, each of which exceeds the "well-capitalized" requirements.

Cash dividends declared were \$.76 a share in 1998, up 11.8% from 1997. A 10% stock dividend was also distributed to shareholders in the year just ended, marking the twenty-fifth consecutive year in which Huntington has issued a stock split or stock dividend.

In September 1998, the Board of Directors authorized the reactivation of Huntington's common stock repurchase program, which was previously suspended in May 1997 due to the First Michigan pooling-of-interests merger transaction. In connection with the reinstatement of the program, the Board of Directors also increased the number of shares authorized for repurchase to 15 million, up from approximately 3 million shares remaining when the

<TABLE>  
<CAPTION>  
TABLE 12

NON-PERFORMING ASSETS AND PAST DUE LOANS (in thousands of dollars)	DECEMBER 31,					
	1998	1997	1996	1995	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Non-accrual loans	\$ 72,429	\$ 65,981	\$ 55,040	\$ 55,423	\$ 47,524	\$ 81,310
Renegotiated loans	4,706	5,822	4,422	5,320	3,768	3,080
TOTAL NON-PERFORMING LOANS	77,135	71,803	59,462	60,743	51,292	84,390
Other real estate, net	18,964	15,343	17,208	23,598	54,153	66,578
TOTAL NON-PERFORMING ASSETS	\$ 96,099	\$ 87,146	\$ 76,670	\$ 84,341	\$105,445	\$150,968
ACCRUING LOANS PAST DUE 90 DAYS OR MORE	\$ 51,037	\$ 49,608	\$ 39,267	\$ 30,937	\$ 23,753	\$ 28,623
NON-PERFORMING LOANS AS A % OF TOTAL LOANS	0.40%	0.40%	0.35%	0.39%	0.36%	0.67%
NON-PERFORMING ASSETS AS A % OF TOTAL LOANS AND OTHER REAL ESTATE	0.49%	0.49%	0.46%	0.54%	0.74%	1.19%
ALLOWANCE FOR LOAN LOSSES AS A % OF NON-PERFORMING LOANS	377.19%	359.55%	388.11%	366.28%	439.10%	276.24%
ALLOWANCE FOR LOAN LOSSES AND OTHER REAL ESTATE AS A % OF NON-PERFORMING ASSETS	301.00%	294.32%	297.12%	250.06%	199.12%	146.25%
ACCRUING LOANS PAST DUE 90 DAYS OR MORE TO TOTAL LOANS	0.26%	0.28%	0.23%	0.20%	0.17%	0.23%

Note: For 1998, the amount of interest income which would have been recorded under the original terms for total loans classified as non-accrual or renegotiated was \$6.4 million. Amounts actually collected and recorded as interest income for these loans totaled \$2.9 million.

plan was suspended. The shares will be purchased through open market purchases and privately negotiated transactions. Repurchased shares will be reserved for reissue in connection with Huntington's dividend reinvestment, stock option, and other benefit plans as well as for stock dividends and other corporate purposes. In 1998, Huntington repurchased approximately 1.1 million shares.

#### FOURTH QUARTER RESULTS

On an operating basis, earnings for the fourth quarter of 1998 were \$91.5 million, compared with \$90.6 million in the same period last year. On a diluted per share basis, operating earnings were \$.43, versus \$.42 per share in 1997. ROE for the most recent quarter was 17.87%, compared with 18.23% for the same period a year ago. ROA was 1.31%, versus 1.41% in last year's final three months. Cash basis ROE was 29.44% in the recent quarter compared with 21.78% in the comparable period of 1997. Cash basis ROA was 1.45% versus 1.48% one year ago. Reported net income for the fourth quarter of 1998, including special charges, was \$31.2 million, or \$.15 per share. ROE was 6.10% and ROA was .45%.

Net interest income was \$267.3 million in the recent quarter, an increase of 3% over the corresponding period last year. This increase was driven by growth in, and a favorable mix of, earning assets as well as a less expensive liability structure. Compression in loan spreads and higher non-earning assets mitigated these benefits and caused a narrowing of the margin percentage. Commercial loans, indirect automobile financing, credit card, and home equity lending each posted double-digit growth in the recent three months. As a result, total loans increased 6.6% (annualized) from the prior quarter, despite softness in real estate portfolio lending. Core deposits grew 3.2%, primarily due to increases in transaction accounts of 2.4% and savings deposits of 13.8%.

The provision for loan losses was \$34.3 million in the last quarter of the year, compared with \$26.2 million in the same period of 1997. Annualized net charge-offs were .61% of average loans in both the fourth quarters of 1998 and 1997.

Non-interest income, excluding securities gains, was \$106.7 million for the recent quarter, up from \$87.5 million for the three months ended December 31, 1997, or an increase of 22%. Improvements were broad-based with substantial increases in brokerage and insurance and electronic banking. Non-interest expense, excluding special charges, totaled \$208.9 million in the most recent three months, versus \$188.5 million in the final three months of 1997. The recently announced expense reduction initiatives have already contributed to a 7.3% decrease in personnel and related costs versus the prior quarter and helped reduce the fourth quarter efficiency ratio to 52.98%.

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<TABLE>  
<CAPTION>  
CONSOLIDATED AVERAGE BALANCES AND INTEREST RATES

Fully Tax Equivalent Basis(1) (in millions of dollars)	1998			1997		
	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE	Average Balance	Interest Income/ Expense	Yield/ Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<b>ASSETS</b>						
Interest bearing deposits in banks	\$ 10	\$ 1.0	5.22%	\$ 9	\$ 0.5	5.47%
Trading account securities	11	0.6	5.71	10	0.6	5.70
Federal funds sold and securities purchased under resale agreements	229	12.9	5.64	44	2.4	5.50
Mortgages held for sale	289	20.2	6.99	131	10.1	7.75
Securities:						
Taxable	4,896	308.8	6.31	5,351	339.8	6.35
Tax exempt	247	21.9	8.83	264	25.3	9.55
Total Securities	5,143	330.7	6.43	5,615	365.1	6.50
<b>Loans:</b>						
Commercial	5,629	469.0	8.33	5,302	456.6	8.61
Real Estate						
Construction	829	71.7	8.65	813	73.8	8.85
Mortgage	3,604	304.2	8.44	3,761	326.9	8.71
Consumer						
Loans	6,679	593.9	8.89	6,299	574.8	9.12
Leases	1,693	120.1	7.09	1,406	106.7	7.59
Total Consumer loans	8,372	714.0	8.53	7,705	681.5	8.84
Total Loans	18,434	1,558.9	8.46	17,581	1,538.8	8.75
Allowance for loan losses/loan fees	280	85.4		253	75.8	
Net loans	18,154	1,644.3	8.92	17,328	1,614.6	9.18
Total earning assets	24,116	2,009.7	8.33%	23,391	1,993.3	8.52%
Cash and due from banks	975			910		
All other assets	2,081			1,103		
<b>TOTAL ASSETS</b>	<b>\$26,892</b>			<b>\$25,151</b>		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Core deposits</b>						
Non-interest bearing deposits	\$ 3,287			\$ 2,774		
Interest bearing demand deposits	3,585	96.4	2.69%	3,204	84.4	2.64%
Savings deposits	3,277	114.0	3.46	3,056	100.4	3.28
Other domestic time deposits	6,291	349.1	5.55	5,857	329.7	5.63
Total core deposits	16,440	559.5	4.25	14,891	514.5	4.25
Certificates of deposit of \$100,000 or more	1,870	107.0	5.72	1,922	109.4	5.70
Foreign time deposits	103	5.9	5.66	382	22.2	5.81
Total deposits	18,413	672.4	4.44	17,195	646.1	4.48
Short-term borrowings	2,084	97.7	4.83	2,826	146.4	5.18
Medium-term notes	2,903	164.6	5.67	1,983	116.2	5.86

Subordinated notes and other long-term debt, including capital securities	876	43.6	4.98	739	45.5	6.16
Total interest bearing liabilities	20,989	978.3	4.66%	19,969	954.2	4.78%
All other liabilities	552			514		
Shareholders' equity	2,064			1,894		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$26,892			\$25,151		
Net interest rate spread			3.67%			3.74%
Impact of non-interest bearing funds on margin			0.61%			0.70%
NET INTEREST MARGIN	\$1,031.4		4.28%	\$1,039.1		4.44%

</TABLE>

(1) Fully tax equivalent yields are calculated assuming a 35% tax rate.  
Average loan balances include non-accruing loans. Interest income includes cash on non-accruing loans.

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<TABLE> <CAPTION>												
1996			1995			1994			1993			
Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
\$ 14	\$ 0.8	5.85%	\$ 26	\$ 1.6	5.99%	\$ 8	\$ 0.5	6.23%	\$ 30	\$ 1.3	4.27%	
16	0.9	5.66	23	1.6	7.29	14	0.9	6.16	10	0.5	5.04	
67	3.8	6.03	93	5.6	6.10	134	5.8	4.30	103	3.3	3.22	
113	8.7	7.74	133	10.0	7.58	367	25.9	7.06	827	60.2	7.28	
5,194	333.7	6.42	4,679	310.7	6.64	3,713	226.5	6.10	4,703	284.5	6.05	
291	27.9	9.59	342	33.2	9.73	419	42.0	10.03	464	49.6	10.70	
5,485	361.6	6.59	5,021	343.9	6.85	4,132	268.5	6.50	5,167	334.1	6.47	
4,955	396.9	8.01	4,703	403.3	8.58	4,140	350.1	8.46	3,823	321.5	8.41	
580	50.7	8.75	473	41.6	8.79	396	30.6	7.73	445	31.1	6.99	
3,614	312.3	8.64	3,834	328.1	8.56	3,474	278.3	8.01	3,084	253.9	8.24	
5,880	528.4	8.99	5,508	494.2	8.97	4,837	401.6	8.31	4,008	364.6	9.10	
950	74.8	7.87	657	51.0	7.76	485	34.7	7.15	349	27.8	7.97	
6,830	603.2	8.83	6,165	545.2	8.84	5,322	436.3	8.20	4,357	392.4	9.01	
15,979	1363.1	8.53	15,175	1,318.2	8.69	13,332	1,095.3	8.21	11,709	998.9	8.53	
231	49.2		227	43.4		235	40.1		215	33.2		
15,748	1412.3	8.84	14,948	1,361.6	8.97	13,097	1,135.4	8.52	11,494	1,032.1	8.82	
21,674	1788.1	8.26%	20,471	1,724.3	8.43%	17,987	1,437.0	7.99%	17,846	1,431.5	8.02%	
901			883			841			787			
1,031			972			906			923			
\$23,375			\$22,099			\$19,499			\$19,341			

\$ 2,664			\$ 2,477			\$ 2,390			\$ 2,384		
3,068	80.2	2.61%	2,815	68.6	2.44%	2,984	65.9	2.21%	2,908	70.2	2.41%
2,836	86.3	3.04	2,666	77.9	2.92	2,935	68.0	2.32	2,863	75.4	2.63
5,463	310.3	5.68	5,382	300.3	5.58	4,383	187.3	4.27	4,376	187.6	4.29
14,031	476.8	4.19	13,340	446.8	4.11	12,692	321.2	3.12	12,531	333.2	3.28
1,525	85.5	5.61	1,269	74.8	5.89	914	39.3	4.30	1,049	39.8	3.79
305	18.4	6.03	262	17.0	6.50	286	12.2	4.25	455	15.0	3.30
15,861	580.7	4.40	14,871	538.6	4.34	13,892	372.7	3.24	14,035	388.0	3.33
2,883	149.1	5.17	2,422	138.1	5.70	1,606	59.2	3.68	2,503	73.8	2.95
1,835	120.2	6.55	2,103	146.4	6.96	1,532	75.2	4.91	478	20.3	4.23
516	30.7	5.96	529	33.8	6.38	562	39.8	7.09	613	32.7	5.35
18,430	880.7	4.78%	17,448	856.9	4.91%	15,202	546.9	3.60	15,244	514.8	3.38%

505	432	3.48%	286	298	4.39%
1,776	1,742	0.71%	1,621	1,415	0.56%
\$23,375	\$22,099	4.19%	\$19,499	\$19,341	4.95%
=====	=====		=====	=====	
		3.52%			4.64%
		0.72%			0.50%
\$ 907.4	\$ 867.4	4.24%	\$ 890.1	\$ 916.7	5.14%
=====	=====		=====	=====	

</TABLE>

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SELECTED ANNUAL INCOME STATEMENT DATA

(in thousands of dollars, except per share amounts) 1993	YEAR ENDED DECEMBER 31,				
	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
TOTAL INTEREST INCOME 1,410,401	\$ 1,999,364	\$ 1,981,473	\$ 1,775,734	\$ 1,709,627	\$ 1,418,610
TOTAL INTEREST EXPENSE 514,812	978,271	954,243	880,648	856,860	546,880
NET INTEREST INCOME 895,589	1,021,093	1,027,230	895,086	852,767	871,730
Provision for loan losses 84,682	105,242	107,797	76,371	36,712	21,954
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES 810,907	915,851	919,433	818,715	816,055	849,776
Service charges on deposit accounts 83,570	126,403	117,852	107,669	97,505	88,457
Mortgage banking 63,964	60,006	55,715	43,942	39,309	47,194
Trust services 33,879	50,754	48,102	42,237	37,627	35,278
Brokerage and insurance income 16,342	36,710	27,084	20,856	17,979	14,721
Electronic banking fees 2,078	29,202	22,705	12,013	6,190	3,405
Bank Owned Life Insurance income --	28,712	--	--	--	--
Credit card fees 18,084	21,909	20,467	23,086	18,757	18,589
Other 35,967	54,711	42,936	46,640	48,343	34,773
TOTAL NON-INTEREST INCOME BEFORE SECURITY GAINS 253,884	408,407	334,861	296,443	265,710	242,417
Securities gains 27,316	29,793	7,978	17,620	9,380	2,297
TOTAL NON-INTEREST INCOME 281,200	438,200	342,839	314,063	275,090	244,714
Personnel and related costs 350,615	428,539	392,793	360,865	344,905	347,361
Outside data processing and other services 49,924	74,795	66,683	58,367	53,582	56,424
Equipment 43,012	62,040	57,867	50,887	44,646	44,806
Net occupancy 45,496	54,123	49,509	49,676	47,824	46,304
Marketing 18,163	32,260	32,782	20,331	17,598	20,074
Telecommunications 11,454	29,429	21,527	16,567	13,946	13,068
Amortization of intangible assets 6,671	25,689	13,019	10,220	9,471	9,612
Legal and other professional services 21,060	25,160	24,931	20,313	18,656	18,457
Printing and supplies 18,405	23,673	21,584	19,602	18,103	18,379

Franchise and other taxes	22,103	19,836	20,359	17,083	16,149
15,920					
Other	46,118	51,414	48,323	76,247	92,886
108,731					
-----					
TOTAL NON-INTEREST EXPENSE BEFORE SPECIAL CHARGES	823,929	751,945	675,510	662,061	683,520
689,451					
Special charges, including merger costs	90,000	51,163	--	--	--
--					
-----					
TOTAL NON-INTEREST EXPENSE	913,929	803,108	675,510	662,061	683,520
689,451					
-----					
INCOME BEFORE INCOME TAXES	440,122	459,164	457,268	429,084	410,970
402,656					
Provision for income taxes	138,354	166,501	152,999	147,283	134,650
135,731					
-----					
NET INCOME	\$ 301,768	\$ 292,663	\$ 304,269	\$ 281,801	\$ 276,320
266,925					
=====					
PER COMMON SHARE(1)					
Net income					
Basic	\$ 1.43	\$ 1.39	\$ 1.44	\$ 1.29	\$ 1.27
1.25					
Diluted	\$ 1.41	\$ 1.38	\$ 1.42	\$ 1.28	\$ 1.26
1.23					
Cash dividends declared	\$ 0.76	\$ 0.68	\$ 0.62	\$ 0.56	\$ 0.51
0.42					
FULLY TAX EQUIVALENT MARGIN:					
Net Interest Income	\$ 1,021,093	\$ 1,027,230	\$ 895,086	\$ 852,767	\$ 871,730
895,589					
Tax Equivalent Adjustment(2)	10,307	11,864	12,363	14,602	18,405
21,072					
-----					
Tax Equivalent Net Interest Income	\$ 1,031,400	\$ 1,039,094	\$ 907,449	\$ 867,369	\$ 890,135
916,661					
=====					

</TABLE>

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

(2) Calculated assuming a 35% tax rate.

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MARKET PRICES, KEY RATIOS  
AND STATISTICS (QUARTERLY DATA)

<TABLE>  
<CAPTION>  
QUARTERLY COMMON STOCK SUMMARY (1)

	1998			
	IV Q	III Q	II Q	I Q
<S>	<C>	<C>	<C>	<C>
High	\$31 1/2	\$33 7/8	\$34 9/16	\$34 7/32
Low	23 5/8	22	29 9/16	29 1/16
Close	30 1/16	25 1/8	30 9/16	33 1/8
Cash dividends declared	\$0.20	\$0.20	\$0.18	\$0.18

</TABLE>

<TABLE>

<CAPTION>

	1997			
	IV Q	III Q	II Q	I Q
<S>	<C>	<C>	<C>	<C>
High	\$35 5/16	\$34 5/16	\$25 1/16	\$26 1/4
Low	28 5/8	24 1/16	21 5/16	20 11/16
Close	32 3/4	32 3/4	24 3/4	21 11/16
Cash dividends declared	\$0.18	\$0.18	\$0.16	\$0.16

</TABLE>

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

Note: Stock price quotations were obtained from NASDAQ.

<TABLE>

<CAPTION>

## KEY RATIOS AND STATISTICS(1)

	1998			
	IV Q	III Q	II Q	I Q
<S>	<C>	<C>	<C>	<C>
MARGIN ANALYSIS - AS A % OF AVERAGE EARNING ASSETS(2)				
Interest Income	8.17%	8.33%	8.37%	8.48%
Interest Expense	3.93	4.15	4.14	4.18
Net Interest Margin	4.24%	4.18%	4.23%	4.30%
RETURN ON				
Average total assets	1.31%	1.28%	1.42%	1.38%
Average total assets- cash basis	1.45%	1.43%	1.49%	1.44%
Average shareholders' equity	17.87%	16.43%	17.70%	17.73%
Average shareholders' equity-cash basis	29.44%	26.59%	21.17%	21.09%

&lt;/TABLE&gt;

&lt;TABLE&gt;

&lt;CAPTION&gt;

	1997			
	IV Q	III Q	II Q	I Q
<S>	<C>	<C>	<C>	<C>
MARGIN ANALYSIS - AS A % OF AVERAGE EARNING ASSETS(2)				
Interest Income	8.51%	8.52%	8.62%	8.43%
Interest Expense	4.07	4.11	4.08	4.04
Net Interest Margin	4.44%	4.41%	4.54%	4.39%
RETURN ON				
Average total assets	1.41%	1.37%	1.33%	1.27%
Average total assets- cash basis	1.48%	1.44%	1.40%	1.33%
Average shareholders' equity	18.23%	17.85%	18.07%	17.42%
Average shareholders' equity- cash basis	21.78%	21.37%	21.90%	20.59%

&lt;/TABLE&gt;

(1) Presented on an "operating" basis (excludes special charges and related taxes).

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

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## SELECTED QUARTERLY INCOME STATEMENT DATA

	1998				1997			
	IVQ	IIIQ	IIQ	IQ	IVQ	IIIQ	IIQ	IQ
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
TOTAL INTEREST INCOME	\$500,395	\$505,221	\$491,268	\$502,480	\$499,760	\$502,821	\$503,018	
\$475,874								
TOTAL INTEREST EXPENSE	233,094	253,706	243,839	247,632	240,197	245,663	240,060	
228,323								
NET INTEREST INCOME	267,301	251,515	247,429	254,848	259,563	257,158	262,958	
247,551								
Provision for loan losses	34,306	24,160	24,595	22,181	26,235	28,351	30,831	
22,380								
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	232,995	227,355	222,834	232,667	233,328	228,807	232,127	
225,171								
Service charges on deposit accounts	33,992	32,493	30,428	29,490	31,035	30,382	28,841	
27,594								
Mortgage banking	15,388	15,270	15,191	14,157	15,889	20,672	10,157	
8,997								
Trust services	12,924	12,502	12,745	12,583	12,019	12,124	11,814	
12,145								
Brokerage and insurance income	9,848	10,057	8,520	8,285	6,131	7,614	6,254	
7,085								
Electronic banking fees	8,037	7,897	7,520	5,748	6,175	5,965	6,200	
4,365								
Bank Owned Life Insurance income	8,098	8,098	7,168	5,348	--	--	--	



Credit card fees	6,367	5,197	5,450	4,895	6,634	5,112	4,787	
3,934								
Other	12,057	12,512	18,318	11,824	9,593	12,986	9,844	
10,513								
-----	-----	-----	-----	-----	-----	-----	-----	-----
TOTAL NON-INTEREST INCOME BEFORE SECURITY GAINS	106,711	104,026	105,340	92,330	87,476	94,855	77,897	
74,633								
-----	-----	-----	-----	-----	-----	-----	-----	-----
Securities gains	1,773	10,615	14,316	3,089	1,034	1,242	3,604	
2,098								
-----	-----	-----	-----	-----	-----	-----	-----	-----
TOTAL NON-INTEREST INCOME	108,484	114,641	119,656	95,419	88,510	96,097	81,501	
76,731								
-----	-----	-----	-----	-----	-----	-----	-----	-----
Personnel and related costs	103,600	111,744	108,483	104,712	97,217	101,334	96,994	
97,248								
Outside data processing and other services	20,915	17,550	16,988	19,342	19,067	16,665	16,454	
14,497								
Equipment	16,202	15,001	15,688	15,149	16,004	14,503	14,173	
13,187								
Net occupancy	11,602	15,019	14,063	13,439	11,755	12,772	11,650	
13,332								
Amortization of intangible assets	9,436	9,467	3,393	3,393	3,285	3,382	3,406	
2,946								
Marketing	8,251	8,762	8,315	6,932	8,187	7,845	7,785	
8,965								
Telecommunications	8,173	7,793	7,450	6,013	5,636	5,639	5,285	
4,967								
Legal and other professional services	7,847	5,291	6,234	5,788	8,318	6,095	5,089	
5,429								
Printing and supplies	6,450	5,851	5,611	5,761	6,239	5,384	5,035	
4,926								
Franchise and other taxes	5,554	5,523	5,526	5,500	4,576	4,685	5,335	
5,240								
Other	10,902	9,876	14,927	10,413	8,248	15,443	14,599	
13,124								
-----	-----	-----	-----	-----	-----	-----	-----	-----
TOTAL NON-INTEREST EXPENSE BEFORE SPECIAL CHARGES	208,932	211,877	206,678	196,442	188,532	193,747	185,805	
183,861								
Special charges, including merger costs	90,000	--	--	--	--	51,163	--	
--								
-----	-----	-----	-----	-----	-----	-----	-----	-----
TOTAL NON-INTEREST EXPENSE	298,932	211,877	206,678	196,442	188,532	244,910	185,805	
183,861								
-----	-----	-----	-----	-----	-----	-----	-----	-----
INCOME BEFORE INCOME TAXES	42,547	130,119	135,812	131,644	133,306	79,994	127,823	
118,041								
Provision for income taxes	11,329	41,364	43,503	42,158	42,657	38,762	44,220	
40,862								
-----	-----	-----	-----	-----	-----	-----	-----	-----
NET INCOME	\$ 31,218	\$ 88,755	\$ 92,309	\$ 89,486	\$ 90,649	\$ 41,232	\$ 83,603	\$
77,179								
=====	=====	=====	=====	=====	=====	=====	=====	=====
PER COMMON SHARE(1)								
Net income--Diluted	\$ 0.15	\$ 0.42	\$ 0.43	\$ 0.42	\$ 0.42	\$ 0.20	\$ 0.39	\$
0.37								
Cash dividends declared	\$ 0.20	\$ 0.20	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.16	\$
0.16								
OPERATING RESULTS(2)								
Net income	\$ 91,518	\$ 88,755	\$ 92,309	\$ 89,486	\$ 90,649	\$ 87,466	\$ 83,603	\$
77,179								
Net income per common share								
Diluted	\$ 0.43	\$ 0.42	\$ 0.43	\$ 0.42	\$ 0.42	\$ 0.41	\$ 0.39	\$
0.37								
Diluted--cash basis(3)	\$ 0.47	\$ 0.45	\$ 0.45	\$ 0.43	\$ 0.44	\$ 0.43	\$ 0.41	\$
0.38								

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

(2) Presented on an "operating basis" (excludes special charges and related taxes).

(3) Tangible or "Cash Basis" net income excludes amortization of goodwill and other intangibles.

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

Information required by this item is set forth in Item 7 on pages 18 through 21 under the caption "Interest Rate Risk and Liquidity Management."

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF MANAGEMENT

The integrity of the financial statements and other financial information contained in this Form 10-K is the responsibility of the management of Huntington. Such financial information has been prepared in accordance with generally accepted accounting principles, based on the best estimates and judgment of management.

Huntington maintains a system of internal accounting controls designed to provide reasonable assurance that transactions are executed and recorded in accordance with management's authorization and that the assets of Huntington are properly safeguarded. This system includes the careful selection and training of staff, the communication of policies and procedures consistent with the highest standards of business conduct, and the maintenance of an internal audit function.

The Audit Committee of the Board of Directors is composed entirely of outside directors and it meets periodically with both internal and independent auditors to review the results and recommendations of their audits. This Committee selects the independent auditor with the approval of shareholders.

The accounting firm of Ernst & Young LLP has been engaged by Huntington to audit its financial statements, and their report appears to the right.

/s/ Frank Wobst	/s/ Gerald R. Williams
Frank Wobst	Gerald R. Williams
Chairman and	Executive Vice President
Chief Executive Officer	and Chief Financial Officer

REPORT OF ERNST & YOUNG LLP,  
INDEPENDENT AUDITORS

To the Board of Directors and Shareholders  
Huntington Bancshares Incorporated

We have audited the accompanying consolidated balance sheets of Huntington Bancshares Incorporated and Subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Huntington Bancshares Incorporated and Subsidiaries at December 31, 1998 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

Columbus, Ohio  
January 13, 1999

<TABLE>  
<CAPTION>  
CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)	DECEMBER 31,	
	1998	1997
<S>	<C>	<C>
ASSETS		
Cash and due from banks	\$ 1,215,814	\$ 1,142,450
Interest bearing deposits in banks	102,564	39,618
Trading account securities	3,839	7,082
Federal funds sold and securities purchased under resale agreements	135,764	509,119
Mortgages held for sale	466,664	192,948

Securities available for sale - at fair value	4,781,415	5,709,814
Investment securities - fair value \$25,044 and \$33,383, respectively	24,934	33,010
Total loans	19,454,551	17,738,248
Less allowance for loan losses	290,948	258,171
Net loans	19,163,603	17,480,077
Bank owned life insurance	727,837	400,000
Premises and equipment	447,038	389,481
Customers' acceptance liability	22,591	27,818
Accrued income and other assets	1,204,273	799,123
TOTAL ASSETS	\$ 28,296,336	\$ 26,730,540
LIABILITIES AND SHAREHOLDERS' EQUITY		
Demand deposits		
Non-interest bearing	\$ 3,129,199	\$ 2,549,518
Interest bearing	4,642,147	3,762,862
Savings deposits	3,690,040	3,133,014
Other domestic time deposits	6,186,985	6,115,534
Total Core Deposits	17,648,371	15,560,928
Certificates of deposit of \$100,000 or more	1,699,261	1,903,657
Foreign time deposits	375,140	519,133
Total Deposits	19,722,772	17,983,718
Short-term borrowings	2,216,644	3,141,671
Bank acceptances outstanding	22,591	27,818
Medium-term notes	2,539,900	2,332,150
Subordinated notes and other long-term debt	707,359	498,889
Company obligated mandatorily redeemable preferred capital securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company	300,000	200,000
Accrued expenses and other liabilities	638,275	520,903
Total Liabilities	26,147,541	24,705,149
Shareholders' equity		
Preferred stock - authorized 6,617,808 shares; none outstanding		
Common stock - without par value; authorized 500,000,000 shares; issued and outstanding 212,596,344 and 193,279,797 shares, respectively	2,152,076	1,528,768
Less 1,850,007 and 1,543,371 treasury shares, respectively	(49,271)	(36,791)
Capital surplus	(14,161)	404,235
Accumulated other comprehensive income	24,693	14,800
Retained earnings	35,458	114,379
Total Shareholders' Equity	2,148,795	2,025,391
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 28,296,336	\$ 26,730,540

</TABLE>

See notes to consolidated financial statements.

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<TABLE>  
<CAPTION>  
CONSOLIDATED STATEMENTS OF INCOME

(in thousands of dollars, except per share amounts)	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
<S>	<C>	<C>	<C>
Interest and fee income			
Loans	\$ 1,641,081	\$ 1,611,541	\$ 1,411,551
Securities	323,595	356,388	349,937
Other	34,688	13,544	14,246
TOTAL INTEREST INCOME	1,999,364	1,981,473	1,775,734
Interest expense			
Deposits	672,433	646,121	580,685
Short-term borrowings	97,656	146,397	149,088
Medium-term notes	164,590	116,221	120,147
Subordinated notes and other long-term debt	43,592	45,504	30,728
TOTAL INTEREST EXPENSE	978,271	954,243	880,648
NET INTEREST INCOME	1,021,093	1,027,230	895,086
Provision for loan losses	105,242	107,797	76,371

NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	915,851	919,433	818,715
Total non-interest income	438,200	342,839	314,063
Total non-interest expense	913,929	803,108	675,510
INCOME BEFORE INCOME TAXES	440,122	459,164	457,268
Provision for income taxes	138,354	166,501	152,999
NET INCOME	\$ 301,768	\$ 292,663	\$ 304,269

PER COMMON SHARE(1)			
Net income			
Basic	\$ 1.43	\$ 1.39	\$ 1.44
Diluted	\$ 1.41	\$ 1.38	\$ 1.42
Cash dividends declared	\$ 0.76	\$ 0.68	\$ 0.62

AVERAGE COMMON SHARES(1)			
Basic	211,426,422	209,884,443	211,740,756
Diluted	213,454,215	212,447,637	213,764,495

</TABLE>

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

See notes to consolidated financial statements.

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<TABLE>  
<CAPTION>  
CONSOLIDATED STATEMENTS OF  
CHANGES IN SHAREHOLDERS' EQUITY

(in thousands, except per share amounts)	COMMON SHARES	COMMON STOCK	TREASURY SHARES	TREASURY STOCK	CAPITAL SURPLUS	ACCUMULATED OTHER COMPREHENSIVE INCOME	RETAINED EARNINGS	TOTAL
BALANCE -- JANUARY 1, 1996	163,172	\$1,075,057	(8,352)	\$(180,632)	\$ 382,732	\$ 42,790	\$ 452,746	
Comprehensive Income:								
Net income							304,269	
Unrealized net holding losses on securities available for sale arising during the period						(56,721)		
Total comprehensive income								
Stock issued for acquisitions			4,733	102,760	5,037			
Cash dividends declared (\$0.62 per share)							(111,120)	
Stock options exercised			284	5,385	(4,318)			
10% stock dividend	10,431	208,110	2,837	78,030	2,444		(288,790)	
Treasury shares purchased			(10,419)	(246,341)	(2,819)			
Treasury shares sold:								
Shareholder dividend reinvestment plan			1,405	31,189	805			
Employee benefit plans			227	4,975	397			
Conversion of convertible notes	50	345						
Pre-merger transactions of pooled subsidiary	8,612	7,456			16,898		(45,026)	
BALANCE -- DECEMBER 31, 1996	182,265	1,290,968	(9,285)	(204,634)	401,176	(13,931)	312,079	

-----							
Comprehensive Income:							
292,663	Net income						292,663
28,731	Unrealized net holding gains on securities available for sale arising during the period						28,731
-----							
Total comprehensive income							
-----							
90,238	Stock issued for acquisitions						3,244 73,775 16,463
(128,013)	Cash dividends declared (\$0.68 per share)						(128,013)
3,359	Stock options exercised						461 7,000 (3,641)
(200)	10% stock dividend						9,181 236,214 5,274 124,920 (51,488) (309,846)
(56,175)	Treasury shares purchased						(1,930) (53,427) (2,748)
Treasury shares sold:							
14,313	Shareholder dividend reinvestment plan						534 11,968 2,345
4,717	Employee benefit plans						159 3,607 1,110
(9,900)	Pre-merger transactions of pooled subsidiary						1,833 1,586 41,018 (52,504)
-----							
2,025,391	BALANCE -- DECEMBER 31, 1997						193,279 1,528,768 (1,543) (36,791) 404,235 14,800 114,379
-----							
Comprehensive Income:							
301,768	Net income						301,768
9,893	Unrealized net holding gains on securities available for sale arising during the period						9,893
-----							
Total comprehensive income							
-----							
68	Stock issued for acquisition						160 3,883 (3,815)
(161,447)	Cash dividends declared (\$0.76 per share)						(161,447)
4,002	Stock options exercised						736 14,350 (10,348)
(371)	10% stock dividend						19,317 623,308 (83) (404,437) (219,242)
(31,192)	Treasury shares purchased						(1,139) (31,192)
683	Treasury shares sold to employee benefit plans						19 479 204
-----							
\$2,148,795	BALANCE -- DECEMBER 31, 1998						212,596 \$2,152,076 (1,850) \$ (49,271) \$ (14,161) \$ 24,693 \$ 35,458
=====							

</TABLE>

See notes to consolidated financial statements.

32

<TABLE>

<CAPTION>

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of dollars)	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net Income	\$ 301,768	\$ 292,663	\$ 304,269
Adjustments to reconcile net income to net cash provided by operating activities			
Provision for loan losses	105,242	107,797	76,371
Provision for depreciation and amortization	80,956	63,383	91,903
Deferred income tax expense	2,769	47,687	35,740

Decrease (increase) in trading account securities	3,243	(5,209)	11,051
(Increase) decrease in mortgages held for sale	(273,716)	(71,526)	46,909
Net gains on sales of securities	(29,793)	(7,978)	(17,620)
Net gains on sales of loans	(9,903)	(12,200)	(1,382)
Decrease (increase) in accrued income receivable	31,663	(7,003)	6,319
Net increase in other assets	(79,588)	(111,259)	(53,471)
Decrease in accrued expenses	65,938	15,993	(26,066)
Net (decrease) increase in other liabilities	(31,150)	11,228	5,111
	-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	167,429	323,576	479,134
	-----	-----	-----
INVESTING ACTIVITIES			
(Increase) decrease in interest bearing deposits in banks	(62,946)	(36,185)	286,537
Proceeds from :			
Maturities and calls of investment securities	8,348	90,287	104,180
Maturities and calls of securities available for sale	1,356,659	787,788	477,462
Sales of securities	3,782,540	2,297,166	2,743,036
Purchases of:			
Investment securities	(355)	(2,962)	(19,247)
Securities available for sale	(4,043,068)	(2,958,135)	(3,111,606)
Proceeds from sales of loans	142,801	357,396	110,737
Net loan originations, excluding sales	(724,662)	(1,209,015)	(1,354,362)
Proceeds from sale of premises and equipment	176,513	8,243	1,664
Purchases of premises and equipment	(147,045)	(45,849)	(51,617)
Proceeds from sales of other real estate	13,856	17,441	18,627
Purchases of Bank Owned Life Insurance	(300,000)	(400,000)	--
Net cash received (paid) in purchase acquisitions	417,031	(2,294)	631
	-----	-----	-----
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	619,672	(1,096,119)	(793,958)
	-----	-----	-----
FINANCING ACTIVITIES			
(Decrease) increase in total deposits	(495,638)	1,025,005	521,255
(Decrease) increase in short-term borrowings	(925,027)	(251,629)	307,317
Proceeds from issuance of long-term debt	300,000	95,500	66,866
Payment of long-term debt	(90,038)	(122,372)	(58,421)
Proceeds from issuance of medium-term notes	1,395,000	1,792,150	1,540,300
Payment of medium-term notes	(1,187,250)	(1,245,300)	(1,934,000)
Proceeds from issuance of capital securities	100,000	200,000	--
Dividends paid on common stock, including pre-merger dividends of pooled subsidiary	(157,632)	(132,760)	(125,379)
Repurchases of common stock	(31,192)	(56,175)	(258,415)
Proceeds from issuance of common stock	4,685	27,266	43,971
	-----	-----	-----
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	(1,087,092)	1,331,685	103,494
	-----	-----	-----
CHANGE IN CASH AND CASH EQUIVALENTS	(299,991)	559,142	(211,330)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,651,569	1,092,427	1,303,757
	-----	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,351,578	\$ 1,651,569	\$ 1,092,427
	=====	=====	=====

</TABLE>

NOTE: Huntington made interest payments of \$995,625, \$964,203, and \$886,020 in 1998, 1997, and 1996, respectively. Federal income tax payments were \$77,407 in 1998, \$114,755 in 1997, and \$120,645 in 1996.

See notes to consolidated financial statements.

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#### 1. ACCOUNTING POLICIES

**NATURE OF OPERATIONS:** Huntington Bancshares Incorporated (Huntington) is a multi-state bank holding company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Through its subsidiaries, Huntington conducts a full-service commercial and consumer banking business and provides other financial products and services, principally to domestic customers.

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

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

**NEW PRONOUNCEMENTS:** In June 1997, the Financial Accounting Standards Board (FASB) issued Statement No. 130, "Reporting Comprehensive Income." Pursuant to this rule, the Consolidated Statements of Changes in Shareholders' Equity now include a new measure called "Comprehensive Income," which includes net income as well as certain items that are reported within a separate component of shareholders' equity that bypass net income. Currently, Huntington's only component of Other Comprehensive Income is its unrealized gains (losses) on securities available for sale.

The FASB also issued Statement No. 131, "Disclosure about Segments of an

Enterprise and Related Information" in June 1997. The provisions of this Statement require disclosure of financial and descriptive information about an enterprise's operating segments. The Statement defines an operating segment as a component of an enterprise that engages in business activities that generate revenue and incur expense. A segment is further defined as a component whose operating results are reviewed by the chief operating decision-maker in the determination of resource allocation and performance, and for which discrete financial information is available. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. Note 15 to the Consolidated Financial Statements includes the segment information required by the new standard.

In June 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133). This Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows gains and losses from derivatives to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions for which hedge accounting is applied.

FAS 133 is effective for fiscal years beginning after June 15, 1999. It may be implemented earlier provided adoption occurs as of the beginning of any fiscal quarter after issuance. FAS 133 cannot be applied retroactively.

Huntington expects to adopt FAS 133 in the first quarter of 2000. Based on information available, the impact of adoption is not expected to be material to the Consolidated Financial Statements.

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

**LOANS:** Loans are stated at the principal amount outstanding, net of unearned discount. Interest income on loans is primarily accrued based on principal amounts outstanding. Income from lease financing is recognized on a basis to achieve a constant periodic rate of return on the outstanding investment. The accrual of interest income on loans and leases is discontinued when the collection of principal, interest, or both is doubtful. When interest accruals are suspended, interest income accrued in the current period is generally reversed. Huntington uses the cost recovery method in accounting for cash

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#### 1. ACCOUNTING POLICIES (CONTINUED)

received on non-accrual loans. Under this method, cash receipts are applied entirely against principal until the loan has been collected in full, after which time any additional cash receipts are recognized as interest income.

Net direct loan origination costs/fees, when material, are deferred and amortized over the term of the loan as a yield adjustment.

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

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

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

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

**MORTGAGE BANKING ACTIVITIES:** Mortgages held for sale are reported at the lower of cost or aggregate market value primarily as determined by outstanding

commitments from investors.

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

**BUSINESS COMBINATIONS:** Net assets of entities acquired, for which the purchase method of accounting was used by Huntington, were recorded at their estimated fair value at the date of acquisition. The excess of cost over the fair value of net assets acquired (goodwill) is being amortized over periods generally up to 25 years. Core deposits and other identifiable acquired intangible assets are amortized over their estimated useful lives.

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

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#### 1. ACCOUNTING POLICIES (CONTINUED)

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

**STATEMENT OF CASH FLOWS:** Cash and cash equivalents are defined as "Cash and due from banks" and "Federal funds sold and securities purchased under resale agreements."

#### 2. 1998 SPECIAL CHARGE

In October 1998, Huntington announced several initiatives to strengthen its financial performance. These initiatives included the realignment of the banking network; the exit of underperforming product lines and delivery channels; the reduction of 1,000 work force positions, or approximately 10% of the total employee base; and other cost savings measures. As a result of the above initiatives, Huntington incurred a special charge of \$90 million in the fourth quarter of the year. Included in the one-time expenses were severance costs for terminated employees, the non-cash write-off of information systems equipment and software that were abandoned in the fourth quarter of the year, the write-down to fair value of retail banking offices to be closed, the costs to terminate certain long-term lease contracts related to retail banking offices to be closed, and the estimated amounts to be written off or paid to complete the exit activities, as more fully described below, that were begun in 1998. Management expects that the actions discussed below will be substantially complete by the fourth quarter of 1999.

The work force reduction spans the entire organization and is in large part attributable to continued internal consolidation efforts by Huntington that resulted in the formation of a single interstate banking charter, as well as continued efficiency opportunities in back room operations such as loan and deposit administration. Through December 31, 1998, 409 employees had been terminated.

Operational equipment charges relate to the write-off of \$4 million in computer equipment that was abandoned and replaced in the fourth quarter of 1998. In addition, Huntington abandoned certain customized software projects with a book value of \$8 million that were determined not to be economically viable and had no alternative use within the organization.

The retail banking office costs stem from Huntington's announcement that it will close 39 underperforming banking offices, substantially all of which will be closed by the end of the second quarter of 1999. Non-cash charges relate to the write-down to fair value (estimated selling price) of 20 branches that are to be closed and held for disposal. These branches have a remaining carrying



value of approximately \$4 million. Other non-cash charges relate to the write-off of leasehold improvements in 19 branches that are to be closed. The cash portion of the charge relates to amounts to be paid to terminate lease and other contracts on the branches that are to be closed.

Non-cash exit costs relate to unrecoverable assets associated with discontinued business activities such as returned check processing, commercial equipment leasing, out of geographic market credit card lending, and the indirect lending operation in Pittsburgh. Cash exit costs relate principally to the decision to terminate the employee benefit plan administrative services business. Such business was exited in the fourth quarter of 1998. The costs primarily are composed of cash payments to third party vendors to be incurred to fulfill Huntington's contractual obligations with regard to benefit plan customers prior to the transfer of the administrative service to another vendor.

Revenues and operating income of activities exited and retail banking offices to be closed are not significant to Huntington's operating results.

The table below summarizes the major components of the special charge, as well as the related amounts applied against the reserve in 1998. Huntington expects that the remaining reserve of \$54 million, which represents estimated future cash outlays, will be substantially utilized during 1999.

<TABLE>  
<CAPTION>

(in millions of dollars)	EMPLOYEE COSTS	OPERATION EQUIPMENT	RETAIL BANK OFFICES	EXIT COSTS	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Special Charge	\$ 26	\$ 12	\$ 20	\$ 32	\$ 90
Utilization:					
Cash	(8)	---	---	(7)	(15)
Non-cash	---	(12)	(5)	(4)	(21)
Balance as of December 31, 1998	\$ 18	\$ ---	\$ 15	\$ 21	\$ 54

</TABLE>

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### 3. MERGERS AND ACQUISITIONS

On June 26, 1998, Huntington completed the acquisition of sixty former Barnett Banks banking offices in Florida from NationsBank Corporation. The transaction was accounted for as a purchase, and accordingly, the assets acquired and liabilities assumed were recorded at estimated fair value. The transaction added approximately \$1.3 billion in loans and \$2.3 billion in deposits. Intangible assets arising from the acquisition totaled approximately \$460 million. The acquired branches' results of operations have been included in Huntington's consolidated totals from the date of the acquisition only.

On September 30, 1997, Huntington completed its acquisition of First Michigan, a \$3.6 billion bank holding company headquartered in Holland, Michigan. Huntington issued approximately 32.2 million shares of common stock to the shareholders of First Michigan in a transaction accounted for as a pooling of interests. In connection with the acquisition, Huntington incurred a merger-related charge of \$51 million consisting primarily of personnel, facilities, and systems costs, as well as \$12 million of professional fees and other costs to effect the business combination. At December 31, 1998, the merger-related reserve had been fully used.

### 4. SECURITIES AVAILABLE FOR SALE

Amortized cost, unrealized gains and losses, and fair values of securities available for sale as of December 31, 1998 and 1997, were:

<TABLE>  
<CAPTION>

(in thousands of dollars)	AMORTIZED COST	UNREALIZED		FAIR VALUE
		GROSS GAINS	GROSS LOSSES	
<S>	<C>	<C>	<C>	<C>
AT DECEMBER 31, 1998				
U.S. Treasury	\$ 234,496	\$ 8,820	\$ --	\$ 243,316
Federal Agencies				
Mortgage-backed securities	1,444,075	12,098	3,985	1,452,188
Other agencies	2,387,137	21,892	8,399	2,400,630
Total U.S. Treasury and Federal Agencies	4,065,708	42,810	12,384	4,096,134
Other Securities	677,509	11,689	3,917	685,281
Total securities available for sale	\$ 4,743,217	\$ 54,499	\$ 16,301	\$ 4,781,415
AT DECEMBER 31, 1997				
U.S. Treasury	\$ 730,862	\$ 4,501	\$ 5,689	\$ 729,674
Federal Agencies				
Mortgage-backed securities	1,368,502	8,031	5,093	1,371,440
Other agencies	2,888,971	16,049	5,100	2,899,920

Total U.S. Treasury and Federal Agencies	4,988,335	28,581	15,882	5,001,034
Other Securities	698,584	11,953	1,757	708,780
Total securities available for sale	\$5,686,919	\$ 40,534	\$ 17,639	\$5,709,814

</TABLE>

Contractual maturities of securities available for sale as of December 31, 1998 and 1997, were:

<TABLE>  
<CAPTION>

(in thousands of dollars)	AMORTIZED COST	FAIR VALUE	(in thousands of dollars)	AMORTIZED COST	FAIR VALUE
<S>	<C>	<C>	<C>	<C>	<C>
AT DECEMBER 31, 1998			AT DECEMBER 31, 1997		
Under 1 year	\$ 8,492	\$ 8,485	Under 1 year	\$ 18,148	\$ 18,145
1 - 5 years	1,220,852	1,231,499	1 - 5 years	2,381,776	2,387,294
6 - 10 years	1,140,334	1,161,035	6 - 10 years	1,805,524	1,812,872
Over 10 years	2,365,180	2,373,092	Over 10 years	1,419,307	1,430,374
Marketable equity securities	8,359	7,304	Marketable equity securities	62,164	61,129
Total	\$ 4,743,217	\$ 4,781,415	Total	\$ 5,686,919	\$ 5,709,814

</TABLE>

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4. SECURITIES AVAILABLE FOR SALE (CONTINUED)

Gross gains from sales of securities of \$41.5 million, \$12.3 million, and \$24.7 million were realized in 1998, 1997, and 1996, respectively. Gross losses totaled \$11.7 million in 1998, \$4.3 million in 1997, and \$7.1 million in 1996. Huntington securitized and transferred to securities available for sale \$108.7 million and \$115.1 million of residential mortgage loans in 1998 and 1997, respectively.

5. INVESTMENT SECURITIES

Amortized cost, unrealized gains and losses, and fair values of investment securities as of December 31, 1998 and 1997, were:

<TABLE>  
<CAPTION>

(in thousands of dollars)	AMORTIZED COST	UNREALIZED		FAIR VALUE
		GROSS GAINS	GROSS LOSSES	
<S>	<C>	<C>	<C>	<C>
AT DECEMBER 31, 1998				
U.S. Treasury and Federal Agencies States and political Subdivisions	\$ 156	\$ --	\$ --	\$ 156
Total investment Securities	24,778	154	44	24,888
	\$24,934	\$ 154	\$ 44	\$25,044
AT DECEMBER 31, 1997				
U.S. Treasury and Federal Agencies States and political Subdivisions	\$ 656	\$ --	\$ --	\$ 656
Total investment Securities	32,354	471	98	32,727
	\$33,010	\$ 471	\$ 98	\$33,383

</TABLE>

Amortized cost and fair values by contractual maturity at December 31, 1998 and 1997, were:

<TABLE>  
<CAPTION>

(in thousands of dollars)	AMORTIZED COST	FAIR VALUE
<S>	<C>	<C>
AT DECEMBER 31, 1998		
Under 1 year	\$ 4,318	\$ 3,937
1 - 5 years	13,466	13,686
6 - 10 years	5,463	5,674
Over 10 years	1,687	1,747
Total	\$ 24,934	\$ 25,044

AT DECEMBER 31, 1997		
Under 1 year	\$ 6,311	\$ 6,310
1 - 5 years	14,248	14,375
6 - 10 years	9,605	9,788
Over 10 years	2,846	2,910
	-----	-----
Total	\$ 33,010	\$ 33,383
	=====	=====

</TABLE>

The portfolio of investment securities acquired in the September 1997 First Michigan merger was sold and/or transferred to the available for sale category to maintain Huntington's existing interest rate risk position. At the date of sale/transfer, amortized cost and fair value were \$225.3 million and \$233.5 million, respectively.

#### 6. LOANS

At December 31, 1998 and 1997, loans were comprised of the following:

<TABLE>		
<CAPTION>		
-----		
(in thousands of dollars)	1998	1997
-----		
<S>	<C>	<C>
Commercial	\$ 6,026,736	\$ 5,270,660
Real estate		
Construction	919,326	863,635
Commercial	2,231,786	2,370,652
Residential	1,408,289	1,228,446
Consumer		
Loans	6,957,772	6,462,716
Leases	1,910,642	1,542,139
	-----	-----
Total loans	\$19,454,551	\$17,738,248
	=====	=====

</TABLE>

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

<TABLE>		
<CAPTION>		
-----		
(in thousands of dollars)	1998	1997
-----		
<S>	<C>	<C>
Balance, beginning of year	\$ 206,971	\$ 173,491
Loans made	97,887	126,503
Repayments	(161,945)	(46,828)
Changes due to status of executive officers and directors	(10,744)	(46,195)
	-----	-----
Balance, end of year	\$ 132,169	\$ 206,971
	=====	=====

</TABLE>

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#### 7. ALLOWANCE FOR LOAN LOSSES

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

<TABLE>			
<CAPTION>			
-----			
(in thousands of dollars)	1998	1997	1996
-----			
<S>	<C>	<C>	<C>
BALANCE, BEGINNING OF YEAR	\$ 258,171	\$ 230,778	\$ 222,487
Allowance related to acquisitions/other	22,042	7,777	1,907
Loan losses	(126,355)	(110,723)	(91,007)
Recoveries of loans previously charged off	31,848	22,542	21,020
Provision for loan losses	105,242	107,797	76,371
	-----	-----	-----
BALANCE, END OF YEAR	\$ 290,948	\$ 258,171	\$ 230,778
	=====	=====	=====
RECORDED BALANCE OF IMPAIRED LOANS, AT END OF YEAR:			
With related allowance for loan losses	\$ 13,277	\$ 20,593	\$ 11,770
With no related allowance for loan losses	18,340	14,166	17,503
	-----	-----	-----
Total	\$ 31,617	\$ 34,759	\$ 29,273
	=====	=====	=====
AVERAGE BALANCE OF IMPAIRED LOANS FOR THE YEAR	\$ 32,547	\$ 33,968	\$ 31,519
	=====	=====	=====
ALLOWANCE FOR LOAN LOSSES RELATED TO IMPAIRED LOANS	\$ 4,459	\$ 6,449	\$ 4,785

</TABLE>

8. PREMISES AND EQUIPMENT

At December 31, 1998 and 1997, premises and equipment stated at cost were comprised of the following:

(in thousands of dollars)	1998	1997
Land and land improvements	\$ 61,902	\$ 71,313
Buildings	257,066	286,320
Leasehold improvements	98,162	93,485
Equipment	439,435	355,668
Total premises and equipment	856,565	806,786
Less accumulated depreciation and amortization	409,527	417,305
Net premises and equipment	\$447,038	\$389,481

</TABLE>

Depreciation and amortization charged and rental income credited to expense were as follows:

(in thousands of dollars)	1998	1997	1996
Total depreciation and amortization	\$ 40,489	\$ 41,383	\$ 39,492
Rental income credited to occupancy expense	\$ 13,133	\$ 14,842	\$ 11,966

</TABLE>

In 1998, Huntington entered into a sale/leaseback agreement that included the sale of 59 properties with a book value approximating \$110 million. The transaction included a mix of branch banking offices, regional offices, and operations facilities, which Huntington will continue to operate under a long-term lease. Proceeds of \$174.1 million received from the sale were used to reduce short-term debt. The resulting deferred gain is being amortized as a reduction of occupancy expense over the lease term.

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9. SHORT-TERM BORROWINGS

At December 31, 1998 and 1997, short-term borrowings were comprised of the following:

(in thousands of dollars)	1998	1997
Federal funds purchased and securities sold under agreements to repurchase	\$2,137,374	\$3,064,344
Commercial paper	30,133	40,050
Other	49,137	37,277
Total short-term borrowings	\$2,216,644	\$3,141,671

</TABLE>

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

(in thousands of dollars)	1998	1997
Average balance during the year	\$1,304,499	\$1,253,724
Average interest rate during the year	4.48%	4.58%
Maximum month-end balance during the year	\$1,647,599	\$1,356,785

</TABLE>

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

Huntington has the ability to borrow under a line of credit totaling \$200

million to support short-term working capital needs. Under the terms of the agreement, a quarterly fee must be paid and there are no compensating balances required. The line is cancelable, by Huntington, upon written notice and terminates August 23, 2000. There were no borrowings under the line in 1998 or 1997.

Securities pledged to secure public or trust deposits, repurchase agreements, and for other purposes were \$2.0 billion and \$2.1 billion at December 31, 1998 and 1997, respectively.

#### 10. CAPITAL SECURITIES

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

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

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

</TABLE>

(1) Variable effective rate at December 31, 1998 and 1997, of 5.92% and 6.48%, respectively.

(2) Variable effective rate at December 31, 1998, of 5.85%.

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#### 11. DEBT

At December 31, 1998 and 1997, Huntington's debt consisted of the following:

(in thousands of dollars)	1998	1997
<S>	<C>	<C>
MEDIUM-TERM		
Parent company (maturing through 1999)	\$ 60,000	\$ 220,000
Subsidiary bank (maturing through 2007)	2,479,900	2,112,150
TOTAL MEDIUM-TERM DEBT	2,539,900	2,332,150
LONG-TERM		
Subordinated notes, 7 5/8 % , maturing in 2003, face value \$150,000 at December 31, 1998 and 1997, net of discount	149,724	149,657
Subordinated notes, 7 7/8%, maturing in 2002, face value \$150,000 at December 31, 1998 and 1997, net of discount	149,505	149,376
Subordinated notes, 6 3/4%, maturing in 2003, face value \$100,000 at December 31, 1998 and 1997, net of discount	99,852	99,819
Subordinated notes, 6 3/5%, maturing in 2018, face value \$200,000 at December 31, 1998, net of discount	198,278	--
Subordinated notes, Floating Rate, maturing in 2008, face value \$100,000 at December 31, 1998, net of discount	100,000	--

Federal Home Loan Bank notes maturing through 1999	10,000	95,500
Other	--	4,537
	-----	-----
TOTAL SUBORDINATED NOTES AND OTHER LONG-TERM DEBT	707,359	498,889
	-----	-----
TOTAL DEBT	\$3,247,259	\$2,831,039
	=====	=====

</TABLE>

PARENT COMPANY OBLIGATIONS:

The 7 7/8% Notes are not redeemable prior to maturity in 2002, and do not provide for any sinking fund. Interest rate swaps were used by Huntington to convert the Notes to a variable interest rate. At December 31, 1998, the effective interest rate on the swap-adjusted Notes was 5.96%.

The Medium-term notes had weighted average interest rates of 6.12% and 5.99% at December 31, 1998 and 1997, respectively.

SUBSIDIARY OBLIGATIONS:

The 7 5/8% Notes and the 6 3/4% Notes were both issued by The Huntington National Bank in 1993. Adjusted for the effects of interest rate swaps, the effective rates were 5.82% and 5.26%, respectively, at December 31, 1998. These Notes are not redeemable prior to maturity in 2003, and do not provide for any sinking fund. The 6 3/5% Notes and the Floating Rate Notes were issued by The Huntington National Bank in 1998. Adjusted for the effects of interest rate swaps, the interest rates were 5.68% and 5.73% at December 31, 1998. The Floating Rate Notes are based on the three-month London Interbank Offered Rate (LIBOR).

The Medium-term bank notes had weighted average interest rates of 5.57% and 5.98% at December 31, 1998 and 1997, respectively. The stated interest rates on certain of these notes have also been modified by interest rate swaps. At December 31, 1998, the weighted average effective interest rate on the swap-adjusted Medium-term bank notes was 5.16%.

The Federal Home Loan Bank notes mature serially from February 1999 through December 1999, and had a weighted average interest rate of 6.15% and 5.84% at December 31, 1998 and 1997, respectively. These advances cannot be prepaid without penalty.

The terms of Huntington's medium and long-term debt obligations contain various restrictive covenants including limitations on the acquisition of additional debt in excess of specified levels, dividend payments, and the disposition of subsidiaries. As of December 31, 1998, Huntington was in compliance with all such covenants.

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11. DEBT (CONTINUED)

<TABLE>

<CAPTION>

YEAR	(in thousands of dollars)
<S>	<C>
1999	\$ 1,537,750
2000	340,000
2001	475,000
2002	242,150
2003	305,000
2004 and thereafter	350,000
	-----
	3,249,900
Discount	(2,641)
	-----
Total	\$ 3,247,259
	=====

</TABLE>

12. OPERATING LEASES

At December 31, 1998, Huntington and its subsidiaries were obligated under noncancelable operating leases for land, buildings, and equipment. Many of these leases contain renewal options, and certain leases provide options to purchase the leased property during or at the expiration of the lease period at specified prices. Some leases contain escalation clauses calling for rentals to be adjusted for increased real estate taxes and other operating expenses, or proportionately adjusted for increases in the consumer or other price indices. The following summary reflects the future minimum rental payments, by year, required under operating leases that, as of December 31, 1998, have initial or remaining noncancelable lease terms in excess of one year.

Excluded from the following amounts are minimum sublease rentals of \$50.3 million due in the future under noncancelable subleases. The rental expense for all operating leases was \$23.3 million for 1998, compared with \$25.2 million in 1997 and \$23.0 million in 1996.

<TABLE>

<CAPTION>

-----

YEAR	(in thousands of dollars)
<S>	<C>
1999	\$ 41,206
2000	38,458
2001	36,515
2002	34,406
2003	32,164
2004 and thereafter	429,918
	-----
Total Minimum Payments	\$ 612,667
	=====

</TABLE>

### 13. OFF-BALANCE SHEET TRANSACTIONS

In the normal course of business, Huntington is party to financial instruments with varying degrees of credit and market risk in excess of the amounts reflected as assets and liabilities in the consolidated balance sheet. Loan commitments and letters of credit are commonly used to meet the financing needs of customers, while interest rate swaps, purchased options, futures, and forwards are an integral part of Huntington's asset/liability management activities. To a much lesser extent, various financial instrument agreements are entered into to assist customers in managing their exposure to interest rate fluctuations. These customer agreements, for which Huntington counters interest rate risk through offsetting third party contracts, are considered trading activities.

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

Notional values of interest rate swaps and other off-balance sheet financial instruments significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculations of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to Huntington, including any accrued interest receivable due from counterparties. Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements, and other contract provisions. At December 31, 1998, Huntington's credit risk from these off-balance sheet arrangements, including trading activities, was approximately \$131.3 million.

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### 13. OFF-BALANCE SHEET TRANSACTIONS (CONTINUED)

The contract or notional amount of financial instruments with off-balance sheet risk at December 31, 1998 and 1997, is presented in the following table:

<TABLE>  
<CAPTION>

(in millions of dollars)	1998	1997
<S>	<C>	<C>
CONTRACT AMOUNT REPRESENTS CREDIT RISK		
Commitments to extend credit		
Commercial	\$3,833	\$4,058
Consumer	3,820	2,992
Other	227	314
Standby letters of credit	758	677
Commercial letters of credit	138	132
NOTIONAL AMOUNT EXCEEDS CREDIT RISK		
Asset/liability management activities		
Interest rate swaps	4,673	3,194
Purchased interest rate options	965	679
Interest rate forwards and futures	620	267
Trading activities		
Interest rate swaps	496	126
Interest rate options	68	53

</TABLE>

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

variable rate nature.

Standby letters of credit are conditional commitments issued by Huntington to guarantee the performance of a customer to a third party. These guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions. Most of these arrangements mature within two years. Approximately 38% of standby letters of credit are collateralized, and nearly 90% are expected to expire without being drawn upon.

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

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

Interest rate futures are commitments to either purchase or sell a financial instrument at a future date for a specified price or yield and may be settled in cash or through delivery of the underlying financial instrument. Forward contracts, used primarily by Huntington in connection with its mortgage banking activities, settle in cash at a specified future date based on the differential between agreed interest rates applied to a notional amount. Huntington also purchases interest rate options (e.g. caps and floors) to manage fluctuating interest rates. Premiums paid for interest rate options grant Huntington the right to receive at specified future dates the amount, if any, by which a specified market interest rate exceeds the fixed cap rate or falls below the fixed floor rate, applied to a notional amount. Exposure to loss from interest rate contracts changes as interest rates fluctuate.

#### 14. REGULATORY MATTERS

The bank subsidiary of Huntington is required to maintain reserve balances with the Federal Reserve Bank. During 1998, the average balance of these deposits was \$192.5 million.

Payment of dividends to Huntington by its subsidiary bank is subject to various regulatory restrictions. Regulatory approval is required prior to the declaration of any dividends in excess of available retained earnings. The amount of dividends that may be declared without regulatory approval is further limited to the sum of net income for that year and retained net income for the preceding two years, less any required transfers to surplus. Huntington's subsidiary bank could, without regulatory approval, declare dividends in 1999 of approximately \$153.0 million plus an additional amount equal to its net income through the date of declaration.

The subsidiary bank is also restricted as to the amount and type of loans it may make to Huntington. At December 31, 1998, the subsidiary bank could lend to Huntington \$222.7 million, subject to the qualifying collateral requirements defined in the regulations.

Huntington and its bank subsidiary are subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain actions by regulators that, if undertaken, could have a material effect on Huntington's and its bank subsidiary's financial statements. Capital adequacy guidelines require minimum ratios of 4.00% for Tier I risk-based capital, 8.00% for total risk-based capital, and 3.00% for Tier I leverage. To be considered well capitalized under the regulatory framework for prompt corrective action, the ratios must be at least 6.00%, 10.00%, and 5.00%, respectively.

Capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk-weightings of assets and certain off-balance sheet items, and other factors. As of December 31, 1998 and 1997, Huntington has met all capital adequacy requirements. In addition, its bank subsidiary had regulatory capital ratios in excess of the levels established for well capitalized institutions.

Presented in the table below are the capital ratios of Huntington and its bank subsidiary, The Huntington National Bank, as well as a comparison of the period-end capital balances with the related amounts established by the regulatory agencies.

<TABLE>  
<CAPTION>

(in millions of dollars)	Ratios	Capital Amounts		
		Actual	Minimum	Well Capitalized
<S>	<C>	<C>	<C>	<C>
AS OF DECEMBER 31, 1998:				
Tier I Risk-Based Capital				
Huntington Bancshares Incorporated	7.10%	\$ 1,720	\$ 970	\$ 1,454



The Huntington National Bank	6.28	1,507	960	1,440
Total Risk-Based Capital				
Huntington Bancshares Incorporated	10.73	2,601	1,939	2,424
The Huntington National Bank	10.48	2,515	1,920	2,400
Tier I Leverage				
Huntington Bancshares Incorporated	6.37	1,720	810	1,350
The Huntington National Bank	5.61	1,507	806	1,343
AS OF DECEMBER 31, 1997:				
Tier I Risk-Based Capital				
Huntington Bancshares Incorporated	8.83%	\$ 1,954	\$ 885	\$ 1,328
The Huntington National Bank	6.62	1,456	880	1,321
Total Risk-Based Capital				
Huntington Bancshares Incorporated	11.68	2,584	1,770	2,213
The Huntington National Bank	11.10	2,443	1,761	2,201
Tier I Leverage				
Huntington Bancshares Incorporated	7.77	1,954	755	1,258
The Huntington National Bank	5.70	1,456	766	1,276

</TABLE>

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#### 15. LINES OF BUSINESS

Huntington segments its operations into five distinct lines of business: Retail Banking; Corporate Banking; Dealer Sales; Private Financial Group; and Treasury/Other. Line of business results are determined based upon Huntington's business profitability reporting system, which assigns balance sheet and income statement items to each of the business segments. The process is designed around Huntington's organizational and management structure and accordingly, the results are not necessarily comparable with similar information published by other financial institutions. Listed below is certain financial information regarding Huntington's 1998 results by line of business. For a detailed description of the individual segments, refer to pages 13 and 14 of this Form 10-K.

<TABLE>  
<CAPTION>

YEAR ENDED DECEMBER 31, 1998						
INCOME STATEMENT (IN THOUSANDS OF DOLLARS)	Retail Banking	Corporate Banking	Dealer Sales	Private Financial Group	Treasury/ Other	Huntington Consolidated
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net interest income (FTE)	\$ 576,211	\$ 235,041	\$ 164,774	\$ 31,585	\$ 23,789	\$1,031,400
Provision for Loan Losses	39,934	14,631	49,655	1,022	--	105,242
Non-Interest Income	242,152	70,381	7,992	43,978	73,697	438,200
Non-Interest Expense	543,969	134,697	49,074	39,989	146,200	913,929
Income Taxes/FTE Adjustment	79,704	52,982	25,119	11,727	(20,871)	148,661
Net Income	\$ 154,756	\$ 103,112	\$ 48,918	\$ 22,825	\$ (27,843)	\$ 301,768
Depreciation and Amortization	\$ 43,438	\$ 7,408	\$ 1,412	\$ 1,370	\$ 27,328	\$ 80,956

#### BALANCE SHEET (IN MILLIONS OF DOLLARS)

Identifiable Assets (avg)	\$ 7,652	\$ 6,003	\$ 5,268	\$ 597	\$ 7,372	\$ 26,892
Total Deposits (avg)	\$ 16,392	\$ 997	\$ 62	\$ 475	\$ 487	\$ 18,413
Capital Expenditures	\$ 37	\$ 6	\$ --	\$ --	\$ 104	\$ 147

</TABLE>

#### 16. LEGAL CONTINGENCIES

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

#### 17. EMPLOYEE BENEFIT PLANS

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

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

limited to the actual cost of coverage.

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17. EMPLOYEE BENEFIT PLANS (CONTINUED)

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

<TABLE>  
<CAPTION>

(in thousands of dollars)	PENSION BENEFITS		POST-RETIREMENT BENEFITS	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Projected benefit obligation at beginning of year	\$ 178,325	\$ 163,113	\$ 40,477	\$ 32,203
Changes due to:				
Service cost	11,979	10,698	1,410	959
Interest cost	12,897	12,502	3,080	2,386
Benefits paid	(16,619)	(11,701)	(3,148)	(2,694)
Plan amendments	--	--	846	4,139
Actuarial assumptions	11,959	3,713	3,786	3,484
Total changes	20,216	15,212	5,974	8,274
Projected benefit obligation at end of year	198,541	178,325	46,451	40,477
Fair value of plan assets at beginning of year	194,336	158,903	--	--
Changes due to:				
Actual return on plan assets	4,608	47,943	--	--
Benefits paid	(19,217)	(12,510)	--	--
Total changes	(14,609)	35,433	--	--
Fair value of plan assets at end of year	179,727	194,336	--	--
Projected benefit obligation less (greater) than plan assets	(18,814)	16,011	(46,451)	(40,477)
Unrecognized net actuarial loss (gain)	2,145	(26,920)	(1,119)	(4,653)
Unrecognized prior service cost	(13,578)	(14,905)	9,078	6,474
Unrecognized transition (asset)/liability, net of amortization	(1,545)	(1,986)	17,649	19,679
Accrued liability	\$ (31,792)	\$ (27,800)	\$ (20,843)	\$ (18,977)
Weighted-average assumptions at September 30:				
Discount rate	7.00%	7.50%	7.00%	7.50%
Expected return on plan assets	9.25%	8.75%	N/A	N/A
Rate of compensation increase	5.00%	5.00%	N/A	N/A

</TABLE>

The following table shows the components of pension cost recognized in 1998, 1997, and 1996:.

<TABLE>  
<CAPTION>

(in thousands of dollars)	PENSION BENEFITS			POST-RETIREMENT BENEFITS		
	1998	1997	1996	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Service cost	\$ 11,979	\$ 10,698	\$ 11,243	\$ 1,410	\$ 959	\$ 1,214
Interest cost	12,897	12,502	11,731	3,080	2,386	2,832
Expected return on plan assets	(16,447)	(14,197)	(12,404)	--	--	--
Amortization of transition asset	(319)	(341)	(367)	1,261	1,331	1,331
Amortization of prior service cost	(1,326)	1	140	670	259	500
Recognized net actuarial (gain) loss	(620)	(755)	24	(52)	(323)	6
Benefit cost	\$ 6,164	\$ 7,908	\$ 10,367	\$ 6,369	\$ 4,612	\$ 5,883

</TABLE>

The 1999 health care cost trend rate was projected to be 8.50% for pre-65 participants and 7.50% for post-65 participants compared with estimates of 9.25% and 8.00% in 1998. These rates are assumed to decrease gradually until they reach 4.75% in the year 2005 and remain at that level thereafter.

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17. EMPLOYEE BENEFIT PLANS (CONTINUED)

The assumed health care cost trend rate has a significant effect on the amounts reported. A one-percentage point increase would increase service and interest costs and post-retirement benefit obligation by \$103 thousand and \$1.1 million, respectively. A one-percentage point decrease would reduce service and interest costs by \$124 thousand and post-retirement benefit obligation by \$1.3 million.

Huntington also sponsors an unfunded Supplemental Executive Retirement Plan, a nonqualified plan that provides certain key officers of Huntington and its subsidiaries with defined pension benefits in excess of limits imposed by federal tax law. At December 31, 1998 and 1997, the accrued pension cost for this plan totaled \$9.8 million and \$10.5 million, respectively. Pension expense for the plan was \$1.2 million in 1998, and \$1.3 million in both 1997, and 1996.

Huntington has a contributory employee investment and tax savings plan available to eligible employees. The plan was restated from an employee stock purchase plan effective April 1, 1998, and renamed the Huntington Investment and Tax Savings Plan. Matching contributions by Huntington equal 100% on the first 3% and 50% on the next 2% of participant elective deferrals. The cost of providing this plan was \$8.3 million in 1998, \$9.7 million in 1997 and \$9.0 million in 1996.

18. STOCK OPTIONS

Huntington sponsors non-qualified and incentive stock option plans covering key employees. Approximately 19.8 million shares have been authorized under the plans, 6.6 million of which were available at December 31, 1998 for future grants. All options granted have a maximum term of ten years. Options granted on or after May 18, 1994, vest ratably over prescribed periods; all grants preceding this date became fully exercisable after one year.

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

Huntington's stock option activity and related information for the three years ended December 31 is summarized below. All such data has been restated, as applicable, for subsequent stock splits and stock dividends.

<TABLE>  
<CAPTION>

(in thousands, except per share)	1998		1997		1996	
	OPTIONS (IN 000'S)	WEIGHTED AVERAGE EXERCISE PRICE	Options (in 000's)	Weighted Average Exercise Price	Options (in 000's)	Weighted Average Exercise Price
Outstanding at beginning of period	5,417	\$ 15.28	5,157	\$ 12.45	5,087	\$ 10.86
Granted	1,244	30.91	1,323	25.14	1,140	17.62
Exercised	(1,278)	10.92	(891)	13.45	(1,009)	10.14
Forfeited/Expired	(222)	22.82	(172)	15.69	(61)	14.75
Outstanding at end of period	5,161	\$ 19.80	5,417	\$ 15.28	5,157	\$ 12.45
Exercisable at end of period	2,906	\$ 14.52	3,242	\$ 11.61	3,117	\$ 9.96
Weighted-average fair value of options granted during the year		\$ 8.59		\$ 6.94		\$ 5.02

</TABLE>

Exercise prices for options outstanding as of December 31, 1998, ranged from \$5.30 to \$32.27. The weighted-average remaining contractual life of these options is 6.9 years.

The fair value of the options presented above was estimated at the date of grant using a Black-Scholes option pricing model. The following weighted-average assumptions were used for 1998, 1997, and 1996, respectively: risk-free interest rates of 5.28%, 6.44%, and 6.78%; dividend yields of 2.59%, 2.86%, and 3.41%; volatility factors of the expected market price of Huntington's common stock of .262, .262, and .280; and a weighted average expected option life of 6 years.

18. STOCK OPTIONS (CONTINUED)

The following pro forma disclosures present Huntington's net income and earnings per common share under the fair value method of accounting for stock options:

<TABLE>  
<CAPTION>

-----  
YEAR ENDED DECEMBER 31,  
-----

(in millions, except per share amounts)	1998	1997	1996
<S>	<C>	<C>	<C>
PRO FORMA			
Net income	\$ 297.8	\$ 290.6	\$ 303.2
Earnings per common share--diluted	\$1.40	\$1.37	\$1.42

</TABLE>

19. EARNINGS PER SHARE AND COMMON STOCK  
REPURCHASE PROGRAM

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

<TABLE>  
<CAPTION>

(in thousands, except per share amounts)	1998	1997	1996
<S>	<C>	<C>	<C>
Net income	\$301,768	\$292,663	\$304,269
Impact of convertible debt	--	--	13
Diluted net income	\$301,768	\$292,663	\$304,282
Average common shares outstanding	211,426	209,884	211,741
Dilutive effect of:			
Stock options	2,028	2,564	1,991
Convertible debt	--	--	33
Diluted common shares outstanding	213,454	212,448	213,765
Earnings per share			
Basic	\$ 1.43	\$ 1.39	\$ 1.44
Diluted	\$ 1.41	\$ 1.38	\$ 1.42

</TABLE>

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

In September 1998, the Board of Directors authorized the reactivation of Huntington's common stock repurchase program, which was previously suspended in May 1997 due to the First Michigan pooling-of-interests merger transaction. In connection with the reinstatement of the program, the Board of Directors also increased the number of shares authorized for repurchase to 15 million, up from approximately 3 million shares remaining when the plan was suspended. The shares will be purchased through open market purchases and privately negotiated transactions.

Repurchased shares will be reserved for reissue in connection with Huntington's dividend reinvestment, stock option, and other benefit plans as well as for stock dividends and other corporate purposes. In 1998, Huntington repurchased approximately 1.1 million shares.

20. INCOME TAXES

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

<TABLE> <CAPTION>			
(in thousands of dollars)	1998	1997	1996
<S>	<C>	<C>	<C>
Currently payable			
Federal	\$133,012	\$115,197	\$114,183
State	2,573	3,617	3,076
Total current	135,585	118,814	117,259
Deferred tax expense			
Federal	1,972	46,088	34,378
State	797	1,599	1,362
Total deferred	2,769	47,687	35,740
Total provision for income taxes	\$138,354	\$166,501	\$152,999

</TABLE>

Tax expense associated with securities transactions included in the above amounts were \$10.8 million in 1998, \$2.9 million in 1997, and \$6.2 million in 1996.

The following is a reconciliation of income tax expense to the amount computed at the statutory rate of 35%:

<TABLE> <CAPTION>			
(in thousands of dollars)	1998	1997	1996
<S>	<C>	<C>	<C>
Pre-tax income computed at the statutory rate	\$ 154,043	\$160,708	\$160,043
Increases (decreases):			
Tax-exempt income	(16,107)	(7,101)	(7,623)
State income taxes	2,191	3,391	2,885
Other-net	(1,773)	9,503	(2,306)
Provision for income Taxes	\$138,354	\$166,501	\$152,999

</TABLE>

The significant components of deferred tax assets and liabilities at December 31, 1998 and 1997, are as follows:

<TABLE> <CAPTION>		
(in thousands of dollars)	1998	1997
<S>	<C>	<C>
Deferred tax assets:		
Allowance for loan losses	\$ 87,642	\$ 85,873
Pension and other employee benefits	29,214	28,131
Premises and equipment	7,641	--
Revalued liabilities - net	6,991	--
Other	36,322	12,535
Total deferred tax assets	167,810	126,539
Deferred tax liabilities:		
Lease financing	225,883	181,987
Mortgage servicing rights	18,964	14,094
Premises and equipment	--	12,201
Securities	13,369	8,192
Other	27,637	23,057
Total deferred tax liabilities	285,853	239,531
Net deferred tax liability	\$118,043	\$112,992

</TABLE>

The following is a summary of the unaudited quarterly results of operations for the years ended December 31, 1998 and 1997:

<TABLE>

<CAPTION>

(in thousands of dollars, except per share data)	I Q	II Q	III Q	IV Q
<S>	<C>	<C>	<C>	<C>
1998				
Interest income	\$502,480	\$491,268	\$505,221	\$500,395
Interest expense	247,632	243,839	253,706	233,094
Net interest income	254,848	247,429	251,515	267,301
Provision for loan losses	22,181	24,595	24,160	34,306
Securities gains	3,089	14,316	10,615	1,773
Non-interest income	92,330	105,340	104,026	106,711
Non-interest expense	196,442	206,678	211,877	208,932
Special charges	--	--	--	90,000
Income before income taxes	131,644	135,812	130,119	42,547
Provision for income taxes	42,158	43,503	41,364	11,329
Net income	\$ 89,486	\$ 92,309	\$ 88,755	\$ 31,218
Net income per common share (1)				
Basic	\$ 0.42	\$ 0.44	\$ 0.42	\$ 0.15
Diluted	\$ 0.42	\$ 0.43	\$ 0.42	\$ 0.15

</TABLE>

<TABLE>

<CAPTION>

(in thousands of dollars, except per share data)	I Q	II Q	III Q	IV Q
<S>	<C>	<C>	<C>	<C>
1997				
Interest income	\$475,874	\$503,018	\$502,821	\$499,760
Interest expense	228,323	240,060	245,663	240,197
Net interest income	247,551	262,958	257,158	259,563
Provision for loan losses	22,380	30,831	28,351	26,235
Securities gains	2,098	3,604	1,242	1,034
Non-interest income	74,633	77,897	94,855	87,476
Non-interest expense	183,861	185,805	193,747	188,532
Special charges	--	--	51,163	--
Income before income taxes	118,041	127,823	79,994	133,306
Provision for income taxes	40,862	44,220	38,762	42,657
Net income	\$ 77,179	\$ 83,603	\$ 41,232	\$ 90,649
Net income per common share (1)				
Basic	\$ 0.37	\$ 0.40	\$ 0.20	\$ 0.43
Diluted	\$ 0.37	\$ 0.39	\$ 0.20	\$ 0.42

</TABLE>

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

## 22. NON-INTEREST INCOME

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

<TABLE>

<CAPTION>

(in thousands of dollars)	1998	1997	1996
<S>	<C>	<C>	<C>
Service charges on deposit accounts	\$126,403	\$117,852	\$107,669
Mortgage banking	60,006	55,715	43,942
Trust services	50,754	48,102	42,237
Brokerage and insurance income	36,710	27,084	20,856
Electronic banking fees	29,202	22,705	12,013
Bank Owned Life Insurance income	28,712	--	--
Credit card fees	21,909	20,467	23,086
Other	54,711	42,936	46,640
TOTAL NON-INTEREST INCOME BEFORE SECURITIES GAINS	408,407	334,861	296,443
Securities gains	29,793	7,978	17,620
TOTAL NON-INTEREST INCOME	\$438,200	\$342,839	\$314,063

</TABLE>

#### 23. NON-INTEREST EXPENSE

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

<TABLE>

<CAPTION>

(in thousands of dollars)	1998	1997	1996
<S>	<C>	<C>	<C>
Personnel and related costs	\$428,539	\$392,793	\$360,865
Outside data processing and other services	74,795	66,683	58,367
Equipment	62,040	57,867	50,887
Net occupancy	54,123	49,509	49,676
Marketing	32,260	32,782	20,331
Telecommunications	29,429	21,527	16,567
Amortization of intangible assets	25,689	13,019	10,220
Legal and other professional services	25,160	24,931	20,313
Printing and supplies	23,673	21,584	19,602
Franchise and other taxes	22,103	19,836	20,359
Other	46,118	51,414	48,323
	-----	-----	-----
TOTAL NON-INTEREST EXPENSE BEFORE SPECIAL CHARGES	823,929	751,945	675,510
	-----	-----	-----
Special charges, including merger costs	90,000	51,163	--
	-----	-----	-----
TOTAL NON-INTEREST EXPENSE	\$913,929	\$803,108	\$675,510
	=====	=====	=====

</TABLE>

#### 24. COMPREHENSIVE INCOME

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

<TABLE>

<CAPTION>

(in thousands of dollars)	1998	1997	1996
<S>	<C>	<C>	<C>
Unrealized holding gains (losses) arising during the period:			
Unrealized net gains (losses)	\$ 45,095	\$ 52,806	\$(70,164)
Related tax (expense) benefit	(15,837)	(18,889)	24,896
	-----	-----	-----
Net	29,258	33,917	(45,268)
	-----	-----	-----
Less: Reclassification adjustment for net gains realized during the period:			
Realized net gains	29,793	7,978	17,620
Related tax expense	(10,428)	(2,792)	(6,167)
	-----	-----	-----
Net	19,365	5,186	11,453
	-----	-----	-----
Total Other Comprehensive Income	\$ 9,893	\$ 28,731	\$(56,721)
	=====	=====	=====

</TABLE>

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#### 25. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The following methods and assumptions were used by Huntington to estimate

the fair value of the remaining classes of financial instruments:

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

Fair values of securities available for sale and investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The carrying amount and fair value of securities exclude the fair value of asset/liability management interest rate contracts designated as hedges of securities available for sale.

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

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

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

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

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25. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

<TABLE>  
<CAPTION>

(in thousands of dollars)	AT DECEMBER 31, 1998		AT DECEMBER 31, 1997	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
<b>FINANCIAL ASSETS:</b>				
Cash and short-term assets	\$ 1,454,142	\$ 1,454,142	\$ 1,691,187	\$ 1,691,187
Trading account securities	3,839	3,839	7,082	7,082
Mortgages held for sale	466,664	466,664	192,948	192,948
Securities	4,806,349	4,806,459	5,742,824	5,743,197
Loans	19,163,603	19,338,129	17,480,077	17,777,451
Customers' acceptance liability	22,591	22,591	27,818	27,818
<b>Interest rate contracts:</b>				
Asset/liability management	19,610	67,507	17,557	42,547
Customer accommodation	9,638	9,638	2,606	2,606
<b>FINANCIAL LIABILITIES:</b>				
Deposits	(19,722,772)	(19,788,328)	(17,983,718)	(18,012,315)
Short-term borrowings	(2,216,644)	(2,216,644)	(3,141,671)	(3,141,671)
Bank acceptances outstanding	(22,591)	(22,591)	(27,818)	(27,818)
Medium-term notes	(2,539,900)	(2,560,426)	(2,332,150)	(2,341,040)
Subordinated notes and other long-term debt	(707,359)	(733,083)	(498,889)	(517,791)
Capital Securities	(300,000)	(299,609)	(200,000)	(192,726)
<b>Interest rate contracts:</b>				
Asset/liability management	--	(11,126)	--	(2,554)
Customer accommodation	(7,388)	(7,388)	(1,859)	(1,859)

</TABLE>

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26. HUNTINGTON BANCSHARES INCORPORATED (PARENT COMPANY ONLY)  
FINANCIAL INFORMATION

<TABLE>  
<CAPTION>

(in thousands of dollars)	DECEMBER 31,	
	1998	1997
<S>	<C>	<C>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 179,981	\$ 285,926
Securities available for sale	22,659	7,635
Due from subsidiaries		
Bank subsidiary	220,842	600,578
Non-bank subsidiaries	18,859	10,297



Investment in subsidiaries on the equity method		
Bank subsidiary	2,235,414	1,721,789
Non-bank subsidiaries	24,110	29,411
Excess of cost of investment in subsidiaries over net assets acquired	11,586	12,155
Other assets	86,227	89,321
	-----	-----
TOTAL ASSETS	\$2,799,678	\$2,757,112
	=====	=====
LIABILITIES		
Short-term borrowings	\$ 30,644	\$ 40,525
Medium-term notes	60,000	220,000
Subordinated notes		
Subsidiary trusts	309,279	206,187
Unaffiliated companies	149,505	153,913
Dividends payable	42,406	38,591
Accrued expenses and other liabilities	59,049	72,505
	-----	-----
TOTAL LIABILITIES	650,883	731,721
	-----	-----
SHAREHOLDERS' EQUITY	2,148,795	2,025,391
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$2,799,678	\$2,757,112
	=====	=====

</TABLE>  
<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,		
STATEMENTS OF INCOME			
(in thousands of dollars)	1998	1997	1996
	-----	-----	-----
<S>	<C>	<C>	<C>
INCOME			
Dividends from			
Bank subsidiary	\$ 186,381	\$ 228,892	\$ 348,516
Non-bank subsidiaries	4,000	2,961	6,385
Interest from			
Bank subsidiary	41,507	18,227	3,482
Non-bank subsidiaries	329	19,032	11,787
Other	3,094	1,537	813
	-----	-----	-----
TOTAL INCOME	235,311	270,649	370,983
	-----	-----	-----
EXPENSE			
Interest on debt	27,340	36,128	23,716
Other	13,722	30,020	18,295
	-----	-----	-----
TOTAL EXPENSE	41,062	66,148	42,011
	-----	-----	-----
Income before income taxes and equity in undistributed net income of subsidiaries	194,249	204,501	328,972
Income tax expense (benefit)	2,089	(8,630)	(13,986)
	-----	-----	-----
Income before equity in undistributed net income of subsidiaries	192,160	213,131	342,958
	-----	-----	-----
Equity in undistributed net income of			
Bank subsidiary	106,967	80,523	(48,616)
Non-bank subsidiaries	2,641	(991)	9,927
	-----	-----	-----
NET INCOME	\$ 301,768	\$ 292,663	\$ 304,269
	=====	=====	=====

</TABLE>

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26. HUNTINGTON BANCSHARES INCORPORATED (PARENT COMPANY ONLY)  
FINANCIAL INFORMATION (CONTINUED)

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,		
STATEMENTS OF CASH FLOWS			
(in thousands of dollars)	1998	1997	1996
	-----	-----	-----
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net Income	\$ 301,768	\$ 292,663	\$ 304,269
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed net income of subsidiaries	(109,608)	(79,532)	38,689
Provision for amortization and depreciation	3,244	3,460	5,285
Increase in other assets	(14,413)	(4,961)	(26,139)
Decrease in other liabilities	(15,978)	(13,942)	(18,340)
	-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	165,013	197,688	303,764
	-----	-----	-----
INVESTING ACTIVITIES			
(Increase) decrease in investments in subsidiaries	(386,500)	197,263	(1,433)
Repayments from (advances to) subsidiaries	374,140	(71,485)	(167,289)
Other	(41)	(15,000)	(4,775)

NET CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES	(12,401)	110,778	(173,497)
FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	(9,881)	--	15,000
Proceeds from issuance of subordinated notes to subsidiary trusts	100,000	200,000	--
Payment of long-term debt	(4,537)	(25,000)	(346)
Proceeds from issuance of medium-term notes	--	40,000	225,000
Payment of medium-term notes	(160,000)	(140,000)	(80,000)
Dividends paid on common stock	(157,632)	(132,760)	(125,379)
Acquisition of treasury stock	(31,192)	(56,175)	(258,415)
Proceeds from issuance of treasury stock	4,685	27,266	43,971
NET CASH USED FOR FINANCING ACTIVITIES	(258,557)	(86,669)	(180,169)
CHANGE IN CASH AND CASH EQUIVALENTS	(105,945)	221,797	(49,902)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	285,926	64,129	114,031
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 179,981	\$ 285,926	\$ 64,129

</TABLE>

Supplemental data required for this item is set forth in Item 7 on page 28 under the caption "Selected Quarterly Income Statement Data."

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

Not applicable.

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Part III

ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this item is set forth under the captions "Class I Directors," "Class II Directors," and "Class III Directors" on pages 2 through 4, under the caption "Executive Officers of the Corporation" on pages 18 and 19 and under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" on page 23 of Huntington's 1999 Proxy Statement, and is incorporated herein by reference.

ITEM 11: EXECUTIVE COMPENSATION

Information required by this item is set forth under the caption "Executive Compensation" on pages 7 through 14, and under the caption "Compensation of Directors" on pages 4 and 5, of Huntington's 1999 Proxy Statement, and is incorporated herein by reference.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is set forth under the caption "Ownership of Voting Stock" on pages 5 and 6, of Huntington's 1999 Proxy Statement, and is incorporated herein by reference.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item is set forth under the caption "Transactions With Directors and Executive Officers" on pages 6 and 7, and under the caption "Compensation Committee Interlocks and Insider Participation" on page 14 of Huntington's 1999 Proxy Statement, and is incorporated herein by reference.

Part IV

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

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

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

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

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

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(b) During the quarter ended December 31, 1998, Huntington filed one Current Report on Form 8-K. The report, dated October 14, 1998, was filed under Item 7, and concerned Huntington's results of operations for the quarter ended September

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

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

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 19th day of February, 1999.

HUNTINGTON BANCSHARES INCORPORATED

(Registrant)

By: /s/Frank Wobst

By: /s/Gerald R. Williams

Frank Wobst
Director, Chairman and
Chief Executive Officer
(Principal Executive Officer)

Gerald R. Williams
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 19th day of February, 1999.

/s/Don M. Casto, III

/s/George A. Skestos

Don M. Casto, III
Director

George A. Skestos
Director

/s/Don Conrad

/s/Lewis R. Smoot, Sr.

Don Conrad
Director

Lewis R. Smoot, Sr.
Director

/s/Patricia T. Hayot

/s/Timothy P. Smucker

Patricia T. Hayot
Director

Timothy P. Smucker
Director

/s/Wm. J. Lhota

/s/William J. Williams

Wm. J. Lhota
Director

William J. Williams
Director

/s/Robert H. Schottenstein

Robert H. Schottenstein
Director

Exhibit Index

- 3(i) (a). Articles of Restatement of Charter, Articles of Amendment to Articles of Restatement of Charter, and Articles Supplementary -- previously filed as Exhibit 3(i) to Annual Report on Form 10-K for the year ended December 31, 1993, and incorporated herein by reference.
(i) (b). Articles of Amendment to Articles of Restatement of Charter -- previously filed as Exhibit 3(i) (b) to Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, and incorporated herein by reference.
(i) (c). Articles of Amendment to Articles of Restatement of Charter -- previously filed as Exhibit 3(i) (c) to Quarterly Report on Form 10-Q for the quarter ended March 31, 1998, and incorporated herein by reference.
(ii). Amended and Restated Bylaws.
4(a). Instruments defining the Rights of Security Holders -- reference is made to Articles Fifth, Eighth, and Tenth of Articles of Restatement of Charter, as amended and supplemented. Instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission upon request.

- (b). Rights Plan, dated February 22, 1990, between Huntington Bancshares Incorporated and The Huntington National Bank (as successor to The Huntington Trust Company, National Association) -- previously filed as Exhibit 1 to Registration Statement on Form 8-A, filed with the Securities and Exchange Commission on February 22, 1990, and incorporated herein by reference.
- (c). Amendment No. 1 to the Rights Agreement, dated August 16, 1995, previously filed as Exhibit 4(b) to Form 8-K, dated August 16, 1995, and incorporated herein by reference.

10. Material contracts:

- (a). Employment Agreement, dated April 25, 1996, between Huntington Bancshares Incorporated and Frank Wobst -- previously filed as Exhibit 10(a) to Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1996, and incorporated herein by reference.
- (b). Form of Tier I Executive Agreement for certain executive officers.
- (c). Form of Tier II Executive Agreement for certain executive officers.
- (d). Schedule identifying material details of Executive Agreements, substantially similar to Exhibits 10(b) and 10(c).

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- (e). Huntington Bancshares Incorporated Amended and Restated Incentive Compensation Plan -- previously filed as Exhibit 10(i) to Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1995, and incorporated herein by reference.
- (f). Amended and Restated Long-Term Incentive Compensation Plan, as amended and effective for performance cycles beginning on or after January 1, 1996 -- previously filed as Exhibit 10(j) (2) to Annual Report on Form 10-K for the year ended December 31, 1996, and incorporated herein by reference.
- (g) (1). Supplemental Executive Retirement Plan with First and Second Amendments -- previously filed as Exhibit 10(g) to Annual Report on Form 10-K for the year ended December 31, 1987, and incorporated herein by reference.
- (g) (2). Third Amendment to Supplemental Executive Retirement Plan -- previously filed as Exhibit 10(k) (2) to Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference.
- (h). Deferred Compensation Plan and Trust for Directors -- reference is made to Exhibit 4(a) of Post-Effective Amendment No. 2 to Registration Statement on Form S-8, Registration No. 33-10546, filed with the Securities and Exchange Commission on January 28, 1991, and incorporated herein by reference.
- (i) (1). 1983 Stock Option Plan -- reference is made to Exhibit 4A of Registration Statement on Form S-8, Registration No. 2-89672, filed with the Securities and Exchange Commission on February 27, 1984, and incorporated herein by reference.
- (i) (2). 1983 Stock Option Plan -- Second Amendment -- previously filed as Exhibit 10(j) (2) to Annual Report on Form 10-K for the year ended December 31, 1987, and incorporated herein by reference.
- (i) (3). 1983 Stock Option Plan -- Third Amendment -- previously filed as Exhibit 10(j) (3) to Annual Report on Form 10-K for the year ended December 31, 1987, and incorporated herein by reference.
- (i) (4). 1983 Stock Option Plan -- Fourth Amendment -- previously filed as Exhibit (m) (4) to Annual Report on Form 10-K for the year ended December 31, 1993, and incorporated herein by reference.
- (i) (5). 1983 Stock Option Plan -- Fifth Amendment -- previously filed as Exhibit (m) (5) to Annual Report on Form 10-K for the year ended December 31, 1996, and incorporated herein by reference.
- (j) (1). 1990 Stock Option Plan -- reference is made to Exhibit 4(a) of Registration Statement on Form S-8, Registration No. 33-37373, filed with the Securities and Exchange Commission on October 18, 1990, and incorporated herein by reference.
- (j) (2). First Amendment to Huntington Bancshares Incorporated 1990 Stock Option Plan -- previously filed as Exhibit 10(q) (2) to Annual

- (j)(3). Second Amendment to Huntington Bancshares Incorporated 1990 Stock Option Plan -- previously filed as Exhibit 10(n)(3) to Annual Report on Form 10-K for the year ended December 31, 1996, and incorporated herein by reference.
- (j)(4). Amended and Restated 1994 Stock Option Plan -- previously filed as Exhibit 10(r) to Annual Report on Form 10-K for the year ended December 31, 1996, and incorporated herein by reference.
- (k)(1). The Huntington Supplemental Stock Purchase and Tax Savings Plan and Trust (as amended and restated as of February 9, 1990) -- previously filed as Exhibit 4(a) to Registration Statement on Form S-8, Registration No. 33-44208, filed with the Securities and Exchange Commission on November 26, 1991, and incorporated herein by reference.
- (k)(2). First Amendment to The Huntington Supplemental Stock Purchase and Tax Savings Plan and Trust Plan -- previously filed as Exhibit 10(o)(2) to Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference.
- (l). Deferred Compensation Plan and Trust for Huntington Bancshares Incorporated Directors -- reference is made to Exhibit 4(a) of Registration Statement on Form S-8, Registration No. 33-41774, filed with the Securities and Exchange Commission on July 19, 1991, and incorporated herein by reference.
- (m). Huntington Bancshares Incorporated Retirement Plan For Outside Directors, previously filed as Exhibit 10(t) to Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference.
- (n). Huntington Supplemental Retirement Income Plan -- previously filed as Exhibit 10(s) to Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated herein by reference.
- 21. Subsidiaries of the Registrant.
- 23(a). Consent of Ernst & Young, LLP, Independent Auditors.
- 27. Financial Data Schedule.

HUNTINGTON BANCSHARES INCORPORATED

BYLAWS

(AMENDED AND RESTATED AS OF JANUARY 20, 1999)

ARTICLE I.  
STOCKHOLDERS

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

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

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

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

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

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is present is sufficient to elect a director.

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

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

transmitting, or authorizing the transmission of, a telegram, cablegram, datagram, or other means of electronic transmission to the person authorized to act as proxy or to a proxy solicitation firm, proxy support service organization, or other person authorized by the person who will act as proxy to receive the transmission. Unless a proxy provides otherwise, it is not valid more than 11 months after its date.

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

Only persons nominated in accordance with the procedures set forth in this Section 1.08 shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors, or by any stockholder of the Corporation entitled to vote for the election of directors at such a meeting who complies with the notice procedures set forth in this Section 1.08. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 30 days nor more than 60 days prior to the date of a stockholder meeting; provided, however, that if less than 40 days' notice or prior public disclosure of the date of the stockholders' meeting is given or made to the stockholders, notice by the stockholder to be timely must be so delivered or received not later than the close of business on the 10th day following the earlier of (i) the day on which such notice of the date of the meeting was mailed or (ii) the day on which such

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public disclosure was made.

A stockholder's notice to the Secretary shall set forth (i) as to each person whom the stockholder proposes to nominate for election as a director, (a) the name, age, business address and residence address of such person, (b) the principal occupation or employment of such person during each of the last five years, (c) the class and number of shares of the Corporation which are beneficially owned by such person on the date of such stockholder's notice, and (d) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, or any successor act or regulation (including without limitation such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (ii) as to the stockholder giving the notice, (a) the name and address, as they appear on the Corporation's books, of the stockholder and any other stockholders known by such stockholder to be supporting such nominees, and (b) the class and number of shares of the Corporation which are beneficially owned by such stockholder on the date of such stockholder's notice and by any other stockholders known by such stockholder to be supporting such nominees on the date of such stockholder's notice. The Corporation may require any proposed nominee to furnish such other information as may be reasonably required by the Corporation to determine the qualifications of such proposed nominee to serve as a director of the Corporation.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 1.08. The chairman of the stockholders meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these Bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 1.09. STOCKHOLDER PROPOSALS. At an annual or special meeting of stockholders, only such business shall be conducted, and only such proposals shall be acted upon, as shall have been properly brought before such meeting. To be properly brought before a meeting of stockholders, business must be (i) in the case of a special meeting, specified in the notice of the special meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before a meeting of stockholders by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a

stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 30 days nor more than 60 days prior to the stockholder meeting; provided, however, that if less than 40 days' notice or prior public disclosure of the date of the meeting is given or made to the stockholders, notice by the stockholder to be timely must be so delivered or received not later than the close of business on the 10th day following the earlier of (i) the day on which such notice of the date of the meeting was mailed, or (ii) the day on which such public disclosure was made.

A shareholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before a meeting of stockholders, (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such

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business and any stockholders known by such stockholder to be supporting such proposal, (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder on the date of such stockholder's notice and by any other stockholders known by such stockholder to be supporting such proposal on the date of such stockholder's notice, and (iv) any material interest of the stockholder in such proposal.

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

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

## ARTICLE II.

### BOARD OF DIRECTORS

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

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

SECTION 2.03. ELECTION AND TENURE OF DIRECTORS. Beginning with the election of directors in 1987, the Board of Directors shall be divided into three classes, Class I, Class II and Class III. Each such class shall consist, as nearly as possible, of one-third of the total number of directors, and any remaining directors shall be included within such class or classes as the Board of Directors shall

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designate. At the annual meeting of stockholders in 1987, Class I directors



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

SECTION 2.04. VACANCY ON BOARD. The stockholders may elect a successor to fill a vacancy on the Board of Directors which results from the retirement or removal of a director. A director elected by the stockholders to fill such a vacancy serves for the balance of the term of the retired or removed director. A majority of the remaining directors, whether or not sufficient to constitute a quorum, may fill a vacancy on the Board of Directors which results from any cause except an increase in the number of directors and a majority of the entire Board of Directors may fill a vacancy which results from an increase in the number of directors. A director elected by the Board of Directors to fill a vacancy serves until the next annual meeting of stockholders and until his successor is elected and qualifies.

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

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

SECTION 2.07. NOTICE OF MEETING. Except as provided in Section 2.05, the Secretary shall give notice or cause to be given to each director of each regular and special meeting of the Board of

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

SECTION 2.08. ACTION BY DIRECTORS. Unless statute, the Charter or these Bylaws requires a greater proportion, the action of a majority of the directors present at a meeting at which a quorum is present is the action of the Board of Directors. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. In the absence of a quorum, the directors

present, by majority vote and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if an unanimous written consent which sets forth the action is signed by each member of the Board of Directors and filed with the minutes of the proceedings of the Board of Directors.

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

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

### ARTICLE III.

#### COMMITTEES

SECTION 3.01. COMMITTEES. The Board of Directors may appoint from among its members an Executive Committee and other committees composed of two or more directors and delegate to

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

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

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

### ARTICLE IV.

#### OFFICERS

SECTION 4.01. EXECUTIVE AND OTHER OFFICERS. The Corporation shall have a President, a Secretary, and a Treasurer and may also have a Chairman of the Board, which officers shall be the executive officers of the Corporation. The Board of Directors may designate who shall serve as Chief Executive Officer, having general supervision of the business and affairs of the Corporation, and

as Chief Operating Officer, having supervision of the operations of the Corporation. In the absence of designation the Chairman shall serve as Chief Executive Officer. The Corporation may also have one or more Vice Presidents (which may be designated Executive Vice President, Senior Vice President or Vice President), assistant officers and such other officers as may be established

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by the Board of Directors. A person may hold more than one office in the Corporation but may not serve concurrently as both President and Vice President of the Corporation. The Chairman of the Board and President shall be directors. The other officers may be directors.

SECTION 4.02. ELECTION, TENURE AND REMOVAL OF OFFICERS. The Board of Directors shall elect the officers or may from time to time authorize any committee or officer to appoint assistant and subordinate officers. The officers shall be appointed to hold their respective offices during the pleasure of the Board of Directors. The Board of Directors or, as to any assistant or subordinate officer, any committee or officer authorized by the Board of Directors, may remove an officer at any time. The removal of an officer does not prejudice any of his contractual rights. The Board of Directors or, as to any assistant or subordinate officer, any committee or officer authorized by the Board of Directors, may fill a vacancy which occurs in any office.

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

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

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

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

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Executive Officer, or the President.

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

time to time assigned to him by the Board of Directors, the Chief Executive Officer, or the President.

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

#### ARTICLE V.

##### STOCK

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

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

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

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be at least ten days before the date of the meeting.

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

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

#### ARTICLE VI.

##### FINANCE

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

SECTION 6.02. ANNUAL STATEMENT OF AFFAIRS. The Chairman, President, a Vice President or the Treasurer shall prepare or cause to be prepared annually a full and correct statement of the affairs of the Corporation, including a

balance sheet and a financial statement of operations for the preceding fiscal year.

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

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

#### ARTICLE VII.

##### SUNDRY PROVISIONS

SECTION 7.01. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and Board of Directors and of any executive or other committee when exercising any of the powers

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of the Board of Directors. The books and records of the Corporation may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of these Bylaws shall be kept at the principal office of the Corporation.

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

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

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

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

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

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FORM OF TIER I EXECUTIVE AGREEMENT

EXECUTIVE AGREEMENT

THIS IS AN AGREEMENT between HUNTINGTON BANCSHARES INCORPORATED, a Maryland corporation (the "Corporation"), with its principal office located at the Huntington Center, 41 South High Street, Columbus, Ohio 43287, and \_\_\_\_\_ (the "Executive"), effective as of April 1, 1998.

RECITALS:

The Corporation considers the establishment and maintenance of a sound and vital management to be part of its overall corporate strategy and to be essential to protecting and enhancing the interests of the Corporation and its shareholders. As part of this corporate strategy, the Corporation wishes to act to retain its well-qualified executive officers notwithstanding any actual or threatened change in control of the Corporation.

The Executive is a key executive officer of the Corporation and the Executive's services, experience and knowledge of the affairs of the Corporation, and reputation and contacts in the industry are extremely valuable to the Corporation. The Executive's continued dedication, availability, advice, and counsel to the Corporation are deemed important to the Corporation, its Board of Directors (the "Board"), and its shareholders. It is, therefore, in the best interests of the Corporation to secure the continued services of the Executive notwithstanding any actual or threatened change in control of the Corporation. Accordingly, the Board has approved this Agreement with the Executive and authorized its execution and delivery on behalf of the Corporation.

AGREEMENT:

1. TERM OF AGREEMENT. This Agreement will begin on the date entered above and will continue in effect through December 31, 1999. On December 31, 1999, and on the second anniversary date of each term thereafter (a "Renewal Date"), the term of this Agreement will be extended automatically for an additional two-year period unless, not later than 30 days prior to such Renewal Date, the Corporation gives written notice to the Executive that it has elected not to extend this Agreement. Notwithstanding the above, if a "Change of Control" (as defined herein) of the Corporation occurs during the term of this Agreement, the term of this Agreement will be extended for 36 months beyond the end of the month in which any such Change of Control occurs.

2. DEFINITIONS. The following defined terms shall have the meanings set forth below, for purposes of this Agreement:

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(a) ANNUAL AWARD. "Annual Award" means the cash payment paid or payable to the Executive with respect to a fiscal year under the Corporation's Incentive Compensation Plan.

(b) BASE ANNUAL SALARY. "Base Annual Salary" means the greater of (1) the highest annual rate of base salary in effect for the Executive during the 12 month period immediately prior to a Change of Control or, (2) the annual rate of base salary in effect at the time Notice of Termination is given (or on the date employment is terminated if no Notice of Termination is required).

(c) CAUSE. "Cause" means any of the following:

(1) The Executive shall have committed a felony or an intentional act of gross misconduct, moral turpitude, fraud, embezzlement, or theft in connection with the Executive's duties or in the course of the Executive's employment with the Corporation or any Subsidiary, and the Board shall have determined that such act is materially harmful to the Corporation;

(2) The Corporation or any Subsidiary shall have been ordered or directed by any federal or state regulatory agency with jurisdiction to terminate or suspend the Executive's employment and such order or directive has not been vacated or reversed upon appeal; or

(3) After being notified in writing by the Board to cease any particular Competitive Activity (as defined herein), the Executive shall have continued such Competitive Activity and the Board shall have determined that such act is materially harmful to the Corporation.

For purposes of this Agreement, no act or failure to act on the part of the Executive shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Corporation. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for "Cause" under this Agreement unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the Board at a meeting called and held for such purposes, after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel (if the Executive chooses to have counsel present at such meeting), to be heard before the Board, finding that, in the good faith opinion of the Board, the Executive had committed an act constituting "Cause" as defined in this Agreement and specifying the particulars of the act constituting "Cause" in detail. Nothing in this Agreement will limit the right of the Executive or the Executive's beneficiaries to contest the validity or propriety of any such determination.

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(d) CHANGE OF CONTROL. "Change of Control" means the occurrence of any of the following:

(1) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation's then outstanding securities; or

(2) A majority of the Board of Directors of the Corporation at any time is comprised of other than Continuing Directors (for purposes of this section, the term "Continuing Director" means a director who was either (A) first elected or appointed as a Director prior to the date of this Agreement; or (B) subsequently elected or appointed as a director if such director was nominated or appointed by at least a majority of the then Continuing Directors); or

(3) Any event or transaction if the Corporation would be required to report it in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act; or

(4) Any of the following occurs:

(A) a merger or consolidation of the Corporation, other than a merger or consolidation in which the voting securities of the Corporation immediately prior to the merger or consolidation continue to represent (either by remaining outstanding or being converted into securities of the surviving entity) 51% or more of the combined voting power of the Corporation or surviving entity immediately after the merger or consolidation with another entity;

(B) a sale, exchange, lease, mortgage, pledge, transfer, or other disposition (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Corporation which shall include, without limitation, the sale of assets or earning power aggregating more than 50% of the assets or earning power of the Corporation on a consolidated basis;

(C) a liquidation or dissolution of the Corporation;

(D) a reorganization, reverse stock split,

or recapitalization of the Corporation which would result in any of the foregoing; or

(E) a transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

(e) CHANGE YEAR. "Change Year" means the fiscal year in which a Change of Control occurs.

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(f) COMPETITIVE ACTIVITY. "Competitive Activity" means that Executive's participation, without the written consent of an officer of the Corporation, in the management of any business enterprise if such enterprise engages in substantial and direct competition with the Corporation and such enterprise's revenues derived from any product or service competitive with any product or service of the Corporation amounted to 10% or more of such enterprise's revenues for its most recently completed fiscal year and if the Corporation's revenues for such product or service amounted to 10% of the Corporation's revenues for its most recently completed fiscal year. "Competitive Activity" will not include (i) the mere ownership of securities in any such enterprise and the exercise of rights appurtenant thereto and (ii) participation in the management of any such enterprise other than in connection with the competitive operations of such enterprise.

(g) DISABILITY. "Disability" means that, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall be eligible for the receipt of benefits under the Corporation's long term disability plan.

(h) EMPLOYEE BENEFITS. "Employee Benefits" means the perquisites, benefits, and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs, or arrangements in which the Executive is entitled to participate, including without limitation any stock option, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital, or other insurance (whether funded by actual insurance or self-insured by the Corporation), disability, salary continuation, expense reimbursement, and other employee benefit policies, plans, programs, or arrangements that may now exist or any equivalent successor policies, plans, programs, or arrangements that may be adopted hereafter, providing perquisites, benefits, and service credit for benefits at least as great in a monetary equivalent as are payable thereunder prior to a Change in Control.

(i) EMPLOYMENT AGREEMENT. "Employment Agreement" means an executed employment agreement between the Corporation and the Executive.

(j) GOOD REASON. "Good Reason" means the occurrence of any one or more of the following:

(1) The assignment to the Executive after a Change in Control of the Corporation of duties which are materially different from or inconsistent with the duties, responsibilities, and status of the Executive's position at any time during the 12 month period prior to such Change of Control, or which result in a significant change in the Executive's authority and responsibility as a senior executive of the Corporation;

(2) A reduction by the Corporation in the Executive's Base Annual Salary as of the day immediately prior to a Change of Control of the Corporation, or the failure to grant salary increases and bonus payments on a basis comparable to those

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granted to other executives of the Corporation, or a reduction of the Executive's most recent highest incentive bonus potential prior to such Change of Control under the Corporation's Incentive Compensation Plan, Long-Term Incentive Plan, or any successor plans;

(3) A demand by the Corporation that the Executive relocate to a location in excess of 35 miles from the location where the Executive is currently based, or in the event of any such relocation with the Executive's express written consent, the failure of the Corporation or a Subsidiary to pay (or



reimburse the Executive for) all reasonable moving expenses incurred by the Executive relating to a change of principal residence in connection with such relocation and to indemnify the Executive against any loss in the sale of the Executive's principal residence in connection with any such change of residence, all to the effect that the Executive shall incur no loss on an after tax basis;

(4) The failure of the Corporation to obtain a satisfactory agreement from any successor to the Corporation to assume and agree to perform this Agreement, as contemplated in Section 14 of this Agreement;

(5) The failure of the Corporation to provide the Executive with substantially the same Employee Benefits that were provided to him immediately prior to the Change in Control, or with a package of Employee Benefits that, though one or more of such benefits may vary from those in effect immediately prior to such Change in Control, is substantially comparable in all material respects to such Employee Benefits taken as a whole; or

(6) Any reduction in the Executive's compensation or benefits or adverse change in the Executive's location or duties, if such reduction or adverse change occurs at any time after the commencement of any discussion with a third party relating to a possible Change of Control of the Corporation involving such third party, if such reduction or adverse change is in contemplation of such possible Change of Control and such Change of Control is actually consummated within 12 months after the date of such reduction or adverse change.

The existence of Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute a waiver of the Executive's rights with respect to any circumstance constituting Good Reason under this Agreement. The Executive's determination of Good Reason shall be conclusive and binding upon the parties to this Agreement provided such determination has been made in good faith. Notwithstanding anything to the contrary in this Agreement, in the event that the Executive is serving as Chief Executive Officer of the Corporation immediately prior to the Change of Control, the occurrence of the Change of Control shall be conclusively deemed to constitute Good Reason.

(k) HIGHEST INCENTIVE COMPENSATION. "Highest Incentive Compensation" means the greater of the Executive's Potential Annual Award for the Executive's Incentive

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Group for (a) the Change Year or (b) the fiscal year immediately preceding the Change Year. For purposes of (b) above, if the Executive first became a participant in the Corporation's Incentive Compensation Plan for the Change Year, the Executive shall be deemed to have been a participant in the Corporation's Incentive Compensation Plan, and in the same Incentive Group, for the fiscal year immediately preceding the Change Year.

(l) HIGHEST LONG-TERM INCENTIVE COMPENSATION. "Highest Long-Term Incentive Compensation" means the greater of the Executive's Potential Long-Term Award for the Executive's Incentive Group pursuant to the Corporation's Long-Term Incentive Compensation Plan for (1) the multi-year cycle in which the Change Year occurs or (2) the multi-year cycle immediately prior to the multi-year cycle in which the Change Year occurs; provided, however, that if the Change of Control occurs on a date that falls within two multi-year cycles, the Highest Long-Term Incentive Compensation shall mean the greater of the Executive's Potential Long-Term Award for either of such multi-year cycles. If the Executive first became a participant in the Corporation's Long-Term Incentive Compensation Plan during the Change Year or the year immediately preceding the Change Year, the Executive shall be deemed to have been a participant in the Corporation's Long-Term Incentive Compensation Plan and in the same Incentive Group for (1) the multi-year cycle in which the Change Year occurs and the multi-year cycle immediately prior to the multi-year cycle in which the Change Year occurs or, (2) if the Change of Control occurs on a date that falls within two multi-year cycles, for both such multi-year cycles.

(m) INCENTIVE COMPENSATION PLAN. "Incentive Compensation Plan" means the Corporation's Incentive Compensation Plan in effect as of the effective date of this Agreement, as well as any successor plan.

(n) INCENTIVE GROUP. "Incentive Group" means the group or

category into which an Executive is placed pursuant to the Corporation's Incentive Compensation Plan or Long-Term Incentive Compensation Plan, as the case may be.

(o) LONG-TERM AWARD. "Long-Term Award" means the total amount paid or payable at the end of a performance cycle under the Corporation's Long-Term Incentive Compensation Plan.

(p) LONG-TERM INCENTIVE COMPENSATION PLAN. "Long-Term Incentive Compensation Plan" means the Corporation's Long-Term Incentive Compensation Plan in effect as of the effective date of this Agreement, as well as any successor plan.

(q) NOTICE OF TERMINATION. "Notice of Termination" means a written notice indicating the specific termination provision in this Agreement relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the employment under the provision so indicated.

(r) POTENTIAL ANNUAL AWARD. "Potential Annual Award" means the maximum possible Annual Award the Executive could receive according to his or her Incentive Group pursuant to the Corporation's Incentive Compensation Plan assuming that (1) the Corporation

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met the maximum ROAE for the Corporation's Incentive Compensation Plan for a particular fiscal year (whether or not such maximum ROAE was or could be met); (2) there are no adjustments for business unit or individual performance, and (3) the Executive's Base Annual Salary is used to determine the Potential Annual Award.

(s) POTENTIAL LONG-TERM AWARD. "Potential Long-Term Award" means the maximum possible Long-Term Award payable to the Executive pursuant to Executive's Incentive Group assuming that (1) the Corporation met the maximum ROAE for the Corporation's Long-Term Incentive Compensation Plan for a particular cycle (whether or not such maximum ROAE was or could be met); and (2) the Executive's Base Annual Salary is used to determine the Potential Long-Term Award.

(t) RETIREMENT. "Retirement" means having reached normal retirement age as defined in the Corporation's noncontributory pension plan or taking early retirement in accordance with the terms of the Corporation's noncontributory pension plan.

(u) ROAE "ROAE" means return on average equity as referenced in the Corporation's Incentive Compensation Plan and the Corporation's Long-Term Incentive Compensation Plan, as the case may be.

(v) SEVERANCE BENEFITS. "Severance Benefits" means the benefits described in Section 4 of this Agreement, as adjusted by the applicable provisions of Section 5 of this Agreement.

(w) SUBSIDIARY. "Subsidiary" means any corporation, bank, or other entity a majority of the voting control of which is directly or indirectly owned or controlled at the time by the Corporation.

3. ELIGIBILITY FOR SEVERANCE BENEFITS. The Corporation or its successor shall pay or provide to the Executive the Severance Benefits if the Executive's employment is terminated voluntarily or involuntarily during the term of this Agreement, either:

(a) by the Corporation (1) at any time within 36 months after a Change of Control of the Corporation, or (2) at any time prior to a Change of Control but after the commencement of any discussions with a third party relating to a possible Change of Control of the Corporation involving such third party, if such termination is in contemplation of such possible Change of Control and such Change of Control is actually consummated within 12 months after the date of such termination, in either case unless the termination is on account of the Executive's death or Disability or for Cause, provided that, in the case of a termination on account of the Executive's Disability or for Cause, the Corporation shall give Notice of Termination to the Executive with respect thereto; or

(b) by the Executive for Good Reason (1) at any time within 36 months after a Change of Control of the Corporation or (2) at any time after the commencement of any discussions with a third party relating to a possible Change of Control of the Corporation involving such third party, if such Change of Control is actually consummated within 12

months after the date of such termination, and, in any such case, provided that the Executive shall give Notice of Termination to the Corporation with respect thereto.

4. SEVERANCE BENEFITS. The Executive, if eligible under Section 3, shall receive the following Severance Benefits, adjusted by the applicable provisions of Section 5 (in addition to accrued compensation, bonuses, and vested benefits and stock options):

(a) BASE ANNUAL SALARY. In addition to any accrued compensation payable as of the Executive's termination of employment (either by reason of an Employment Agreement or otherwise), a lump sum cash amount equal to the Executive's Base Annual Salary, multiplied by 3.

(b) ANNUAL INCENTIVE COMPENSATION. In addition to any compensation payable pursuant to Article 5 of the Corporation's Incentive Compensation Plan, a lump sum cash amount equal to the Executive's Highest Incentive Compensation, multiplied by 3. In order to be entitled to a payment pursuant to this Section 4(b), the Executive must have been a participant in the Corporation's Incentive Compensation Plan at some time during the 12 month period immediately preceding the Change of Control.

(c) LONG-TERM INCENTIVE COMPENSATION. In addition to any accrued compensation payable pursuant to Article 9 of the Corporation's Long-Term Incentive Compensation Plan, a lump sum cash amount equal to the Highest Long-Term Incentive Compensation, multiplied by 1.5. In order to be entitled to a payment pursuant to this Section 4(c), the Executive must have been a participant in the Corporation's Long-Term Incentive Compensation Plan at some time during the 12 month period immediately preceding the Change of Control.

(d) INSURANCE BENEFITS. For a three year period after the date the employment is terminated, the Corporation will arrange to provide to the Executive at the Corporation's expense, with:

(1) HEALTH CARE. Health care coverage comparable to that in effect for the Executive immediately prior to the termination (or, if more favorable to the Executive, that furnished generally to salaried employees of the Corporation), including, but not limited to, hospital, surgical, medical, dental, prescription, and dependent coverage. Upon the expiration of the health care benefits required to be provided pursuant to this subsection 4(d), the Executive shall be entitled to the continuation of such benefits under the provisions of the Consolidated Omnibus Budget Reconciliation Act. Health care benefits otherwise receivable by the Executive pursuant to this subsection 4(d) shall be reduced to the extent comparable benefits are actually received by the Executive from a subsequent employer during the three-year period following the date the employment is terminated and any such benefits actually received by the Executive shall be reported by the Executive to the Corporation.

(2) LIFE INSURANCE. Life and accidental death and dismemberment insurance coverage (including any supplemental coverage, purchase opportunity, and double indemnity for accidental death that was available to the Executive) equal (including policy terms) to that in effect at the time Notice of Termination is given (or on the date the employment is terminated if no Notice of Termination is required) or, if more favorable to the Executive, equal to that in effect at the date the Change of Control occurs.

(3) DISABILITY INSURANCE. Disability insurance coverage (including policy terms) equal to that in effect at the time Notice of Termination is given (or on the date employment is terminated if no Notice of Termination is required) or, if more favorable to the Executive, equal to that in effect immediately prior to the Change of Control; provided, however, that no income replacement benefits will be payable under such disability policy with regard to the three year period following a termination of employment provided that the payments payable under subsections 4(b) and (c) above have been made.

In the event the Executive's participation in any such plan or program is not permitted, the Corporation will directly provide, at no

after-tax cost to the Executive, the benefits to which the Executive would be entitled under such plans and programs.

(e) RETIREMENT BENEFITS. The Executive will be entitled to receive retirement benefits as provided herein, so that the total retirement benefits the Executive receives from the Corporation will approximate the total retirement benefits the Executive would have received under all (qualified and nonqualified) retirement plans (which shall not include severance plans) of the Corporation in which the Executive participates were the Executive fully vested under such retirement plans and had the Executive continued in the employ of the Corporation for 36 months following the date of the Executive's termination or until the Executive's Retirement, if earlier (provided that such additional period shall be inclusive of and shall not be in addition to any period of service credited under any severance plan of the Corporation). The benefits specified in this subsection will include all ancillary benefits, such as early retirement and survivor rights and benefits available at retirement. The amount payable to the Executive or the Executive's beneficiaries under this subsection shall equal the excess of (1) the retirement benefits that would be paid to the Executive or the Executive's beneficiaries, under all retirement plans of the Corporation in which the Executive participates if (A) the Executive were fully vested under such plans, (B) the 36-month period (or the period until the Executive's Retirement, if less) following the date of the Executive's termination were added to the Executive's credited service under such plans, (C) the terms of such plans were those most favorable to the Executive in effect at any time during the period commencing prior to the Change of Control and ending on the date of Notice of Termination (or on the date employment is terminated if no Notice of Termination is required), and (D) the Executive's highest average annual compensation as defined under such retirement plans and was calculated as if the Executive had been employed by the Corporation for a 36-month period (or the period until the Executive's Retirement, if earlier) following the date of the Executive's termination and had the Executive's compensation during such period been equal to the Executive's compensation used to calculate the

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Executive's benefit under subsections 4(a), 4(b), and 4(c); over (2) the retirement benefits that are payable to the Executive or the Executive's beneficiaries under all retirement plans of the Corporation in which the Executive participates. These retirement benefits specified in this subsection are to be provided on an unfunded basis, are not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code, and shall be payable solely from the general assets of the Corporation. These retirement benefits shall be payable at the time and in the manner provided in the applicable retirement plans to which they relate.

(f) OUTPLACEMENT. The Corporation shall pay all fees for outplacement services for the Executive up to a maximum equal to 15% of the Executive's Annual Base Salary used to calculate the Executive's benefit under subsection 4(a), plus provide a travel expense account of up to \$5,000 to reimburse job search travel.

(g) STOCK OPTIONS. Stock Options held by the Executive become exercisable upon a Change of Control according to the terms of the Corporation's Stock Option Plans as interpreted by the Corporation's Compensation and Stock Option Committee as such Committee existed immediately prior to the Change of Control.

In computing and determining Severance Benefits under subsections 4(a), (b), (c), (d), (e), (f), and (g) above, a decrease in the Executive's salary, incentive bonus potential, or insurance benefits shall be disregarded if such decrease occurs within six months before a Change of Control, is in contemplation of such Change of Control, and is taken to avoid the effect of this Agreement should such action be taken after such Change of Control. In such event, the salary, incentive bonus potential, and/or insurance benefits used to determine Severance Benefits shall be that in effect immediately before the decrease that is disregarded pursuant to this Section 4.

The Severance Benefits provided in subsections 4(a), (b), and (c) above shall be paid not later than 45 business days following the date the Executive's employment terminates.

5. TAX GROSS-UP. If any Severance Benefit or other benefit paid or provided under Section 4, or the acceleration of stock option vesting, or the payment or distribution of any Employee Benefits or similar benefits are subject to excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended (or any similar federal or state excise tax), the Corporation shall pay to the Executive such additional compensation as is necessary (after taking into account all federal, state, and local income taxes payable by the Executive as a result of the receipt of such additional compensation) to place the Executive in

the same after-tax position he would have been in had no such excise tax (or any interest or penalties thereon) been paid or incurred with respect to any of such amounts (the "Tax Gross-Up"). The Corporation shall pay such additional compensation at the time when the Corporation withholds such excise tax from any payments to the Executive. The calculation of the Tax Gross-Up shall be approved by the Corporation's independent certified public accounting firm engaged by the Corporation immediately prior to the Change in Control and the calculation shall be provided to the Executive in writing. The Executive shall then be given 15 days, or such longer period as the Executive reasonably requests, to accept or reject the calculation of the Tax Gross-Up. If the Executive rejects the Tax Gross-Up calculation and the parties are thereafter unable to agree within an additional 45 days, the arbitration provisions of Section 10 shall control.

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The Corporation shall reimburse the Executive for all reasonable legal and accounting fees incurred with respect to the calculation of the Tax Gross-Up and any disputes related thereto.

For purposes of determining the amount of the Tax Gross-Up, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Tax Gross-Up is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of the Executive's residence on the date of termination.

If the excise tax is subsequently determined to be less than the amount taken into account hereunder at the time of termination of employment, the Executive shall repay to the Corporation at the time the reduction in excise tax is finally determined, the portion of the Tax Gross-Up attributable to such reduction. Notwithstanding the Executive's acceptance or rejection of the Tax Gross-Up calculation, if the excise tax is determined to exceed the amount taken into account hereunder at the time of termination of employment, the Corporation shall make an additional Tax Gross-Up payment to the Executive in respect of such excess at the time the amount of such excess is finally determined.

6. WITHHOLDING OF TAXES. The Corporation may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as required by law.

7. ACKNOWLEDGEMENT. The Corporation hereby acknowledges that it will be difficult and may be impossible for the Executive to find reasonably comparable employment, or to measure the amount of damages which the Executive may suffer as a result of termination of employment hereunder. Accordingly, the payment of the Severance Benefits by the Corporation to the Executive in accordance with the terms of this Agreement is hereby acknowledged by the Corporation to be reasonable and will be liquidated damages, and the Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any profits, income, earnings, or other benefits from any source whatsoever create any mitigation, offset, reduction, or any other obligation on the part of the Executive hereunder or otherwise, except for a reduction in health insurance coverage as provided in subsection 4(d)(1). The Corporation shall not be entitled to set off or counterclaim against amounts payable hereunder with respect to any claim, debt, or obligation of the Executive.

8. ENFORCEMENT COSTS; INTEREST. The Corporation is aware that, upon the occurrence of a Change in Control, the Board or a stockholder of the Corporation may then cause or attempt to cause the Corporation to refuse to comply with its obligations under this Agreement, or may cause or attempt to cause the Corporation to institute, or may institute, litigation, arbitration, or other legal action seeking to have this Agreement declared unenforceable, or may take, or attempt to take, other action to deny the Executive the benefits intended under this Agreement. In these circumstances, the purpose of this Agreement could be frustrated. It is the intent of the Corporation that the Executive not be required to incur the expenses associated with the enforcement of the Executive's rights under this Agreement by litigation, arbitration, or other legal action nor be bound to negotiate any settlement of the Executive's rights hereunder under threat of incurring such expenses because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Executive under this Agreement. Accordingly, if following a Change in Control it should

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appear to the Executive that the Corporation has failed to comply with any of its obligations under this Agreement, including the proper calculation of the Tax Gross-Up, or in the event that the Corporation or any other person takes any action to declare this Agreement void or unenforceable, or institute any litigation or other legal action designed to deny, diminish, or to recover from the Executive, the benefits intended to be provided to the Executive hereunder,

the Corporation irrevocably authorizes the Executive from time to time to retain counsel (legal and accounting) of the Executive's choice at the expense of the Corporation as provided in this Section 8 to represent the Executive in connection with the calculation of the Tax Gross-Up, or the initiation or defense of any litigation or other legal action, whether by or against the Corporation or any director, officer, stockholder, or other person affiliated with the Corporation. Notwithstanding any existing or prior attorney-client relationship between the Corporation and such counsel, the Corporation irrevocably consents to the Executive entering into an attorney-client relationship with such counsel, and in that connection the Corporation and the Executive agree that a confidential relationship shall exist between the Executive and such counsel. The reasonable fees and expenses of counsel selected from time to time by the Executive as provided in this Section shall be paid or reimbursed to the Executive by the Corporation on a regular, periodic basis upon presentation by the Executive of a statement or statements prepared by such counsel in accordance with its customary practices. In any action involving this Agreement, the Executive shall be entitled to prejudgment interest on any amounts found to be due him from the date such amounts would have been payable to the Executive pursuant to this Agreement at an annual rate of interest equal to the prime commercial rate in effect at The Huntington National Bank or its successor from time to time during the prejudgment period plus 4 percent.

9. INDEMNIFICATION. From and after the earliest to occur of a Change of Control or termination of employment, the Corporation shall (a) for a period of five years after such occurrence, provide the Executive (including the Executive's heirs, executors, and administrators) with coverage under a standard directors' and officers' liability insurance policy at the Corporation's expense, and (b) indemnify and hold harmless the Executive, to the fullest extent permitted or authorized by the law of the State of Maryland as it may from time to time be amended, if the Executive is (whether before or after the Change of Control) made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that the Executive is or was a director, officer, or employee of the Corporation or any Subsidiary, or is or was serving at the request of the Corporation or any Subsidiary as a director, trustee, officer, or employee of a bank, corporation, partnership, joint venture, trust, or other enterprise. The indemnification provided by this Section 9 shall not be deemed exclusive of any other rights to which the Executive may be entitled under the charter or bylaws of the Corporation or of any Subsidiary, or any agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in the Executive's official capacity and as to action in another capacity while holding such office, and shall continue as to the Executive after the Executive has ceased to be a director, trustee, officer, or employee and shall inure to the benefit of the heirs, executors, and administrators of the Executive.

10. ARBITRATION. The initial method for resolving any dispute arising out of this Agreement shall be nonbinding arbitration in accordance with this Section. Except as provided otherwise in this Section, arbitration pursuant to this Section shall be governed by the Commercial Arbitration Rules of the American Arbitration Association. A party wishing to obtain arbitration of

an issue shall deliver written notice to the other party, including a description of the issue to be arbitrated. Within 15 days after either party demands arbitration, the Corporation and the Executive shall each appoint an arbitrator. Within 15 additional days, these two arbitrators shall appoint the third arbitrator by mutual agreement; if they fail to agree within this 15 day period, then the third arbitrator shall be selected promptly pursuant to the rules of the American Arbitration Association for Commercial Arbitration. The arbitration panel shall hold a hearing in Columbus, Ohio, within 90 days after the appointment of the third arbitrator. The fees and expenses of the arbitrator, and any American Arbitration Association fees, shall be paid by the Corporation. Both the Corporation and the Executive may be represented by counsel (legal and accounting) and may present testimony and other evidence at the hearing. Within 90 days after commencement of the hearing, the arbitration panel will issue a written decision; the majority vote of two of the three arbitrators shall control. The majority decision of the arbitrators shall not be binding on the parties, and the parties may pursue other available legal remedies if the parties are not satisfied with the majority decision of the arbitrator. The Executive shall be entitled to seek specific performances of the Executive's rights under this Agreement during the pendency of any dispute or controversy arising under or in connection with this Agreement.

11. EMPLOYMENT RIGHTS. This Agreement sets forth the Severance Benefits payable to the Executive in the event the Executive's employment with the Corporation is terminated under certain conditions specified in Section 3. This Agreement is not an employment contract nor shall it confer upon the Executive any right to continue in the employ of the Corporation or its Subsidiaries and shall not in any way affect the right of the Corporation or its Subsidiaries to dismiss or otherwise terminate the Executive's employment at any time with or

without cause.

12. ARRANGEMENTS NOT EXCLUSIVE. The specific benefit arrangements referred to in this Agreement are not intended to exclude the Executive from participation in or from other benefits available to executive personnel generally or to preclude the Executive's right to other compensation or benefits as may be authorized by the Board at any time. The provisions of this Agreement and any payments provided for hereunder shall not reduce any amounts otherwise payable, or in any way diminish the Executive's existing rights, or rights which would accrue solely as the result of the passage of time under any compensation plan, benefit plan, incentive plan, stock option plan, employment agreement, or other contract, plan, or arrangement except as may be specified in such contract, plan, or arrangement. Notwithstanding anything to the contrary in this Section 12, the Severance Benefits provided in Section 4 are in lieu of any benefits to which the Executive would be entitled following the termination of his or her employment pursuant to any Employment Agreement or pursuant to the Corporation's Transition Pay or any successor to such plan.

13. TERMINATION. Except for termination of employment described in Section 3(b), this Agreement shall terminate if the employment of the Executive with the Corporation shall terminate prior to a Change in Control.

14. SUCCESSORS; BINDING AGREEMENTS. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. The Executive's rights and benefits under this Agreement may not be assigned, except that if the Executive dies while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless

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otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to the beneficiaries designated by the Executive to receive benefits under this Agreement in a writing on file with the Corporation at the time of the Executive's death or, if there is no such beneficiary, to the Executive's estate. The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Corporation (or of any division or Subsidiary thereof employing the Executive) to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place. Failure of the Corporation to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Corporation in the same amount and on the same terms to which the Executive would be entitled hereunder if the Executive terminated employment for Good Reason following a Change of Control.

15. NO VESTED INTEREST. Neither the Executive nor the Executive's beneficiaries shall have any right, title, or interest in any benefit under this Agreement prior to the occurrence of the right to the payment of such benefit.

16. NOTICE. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the such addresses as each party may designate from time to time to the other party in writing in the manner provided herein. Unless designated otherwise notices to the Corporation should be sent to the Corporation at:

Huntington Bancshares Incorporated  
41 South High Street  
Columbus, Ohio 43287  
Attention: Cindy Rohletter/Corporate Compensation

Until designated otherwise, notices shall be sent to the employee at the address indicated on the Beneficiary Designation and Notice form attached hereto as Exhibit A. If the parties by mutual agreement supply each other with telecopier numbers for the purposes of providing notice by facsimile, such notice shall also be proper notice under this Agreement. Notice sent by certified or registered mail shall be effective two days after deposit by delivery to the U.S. Post Office.

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

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

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

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

18. AMENDMENT; WAIVER. This Agreement may not be amended or modified and no provision may be waived unless such amendment, modification, or waiver is agreed to in writing and signed by the Executive and the Corporation.

19. VALIDITY. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

20. PRIOR EXECUTIVE AGREEMENTS. This Agreement supersedes any and all prior Executive Agreements between the Corporation (or any predecessor of the Corporation) and the Executive and no payments or benefits of any kind shall be made under, on account of, or by reference to the prior Executive Agreements.

21. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

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22. GOVERNING LAW. Except as otherwise provided, this Agreement shall be governed by the laws of the State of Ohio, without giving effect to any conflict of law provisions.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the day and year written above.

CORPORATION:

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HUNTINGTON BANCSHARES INCORPORATED

By: /s/ Frank Wobst

\_\_\_\_\_  
Chief Executive Officer

EXECUTIVE:

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\_\_\_\_\_

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Exhibit 10(b)  
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EXHIBIT A

BENEFICIARY DESIGNATION AND NOTICE FORM

BENEFICIARY DESIGNATION



In the event of my death, I direct that any amounts due me under the Agreement to which this Beneficiary Designation is attached shall be distributed to the person designated below. If no beneficiary shall be living to receive such assets they shall be paid to the administrator or executor of my estate.

NOTICE

Until notified otherwise, pursuant to Section 16 of the Agreement, notices should be sent to me at the following address

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive

\_\_\_\_\_  
Beneficiary

\_\_\_\_\_  
Relationship to Executive

FORM OF TIER II EXECUTIVE AGREEMENT

EXECUTIVE AGREEMENT

THIS IS AN AGREEMENT between HUNTINGTON BANCSHARES INCORPORATED, a Maryland corporation (the "Corporation"), with its principal office located at the Huntington Center, 41 South High Street, Columbus, Ohio 43287, and \_\_\_\_\_ (the "Executive"), effective as of April 1, 1998.

RECITALS:

The Corporation considers the establishment and maintenance of a sound and vital management to be part of its overall corporate strategy and to be essential to protecting and enhancing the interests of the Corporation and its shareholders. As part of this corporate strategy, the Corporation wishes to act to retain its well-qualified executive officers notwithstanding any actual or threatened change in control of the Corporation.

The Executive is a key executive officer of the Corporation and the Executive's services, experience and knowledge of the affairs of the Corporation, and reputation and contacts in the industry are extremely valuable to the Corporation. The Executive's continued dedication, availability, advice, and counsel to the Corporation are deemed important to the Corporation, its Board of Directors (the "Board"), and its shareholders. It is, therefore, in the best interests of the Corporation to secure the continued services of the Executive notwithstanding any actual or threatened change in control of the Corporation. Accordingly, the Board has approved this Agreement with the Executive and authorized its execution and delivery on behalf of the Corporation.

AGREEMENT:

1. TERM OF AGREEMENT. This Agreement will begin on the date entered above and will continue in effect through December 31, 1999. On December 31, 1999, and on the second anniversary date of each term thereafter (a "Renewal Date"), the term of this Agreement will be extended automatically for an additional two-year period unless, not later than 30 days prior to such Renewal Date, the Corporation gives written notice to the Executive that it has elected not to extend this Agreement. Notwithstanding the above, if a "Change of Control" (as defined herein) of the Corporation occurs during the term of this Agreement, the term of this Agreement will be extended for 36 months beyond the end of the month in which any such Change of Control occurs.

2. DEFINITIONS. The following defined terms shall have the meanings set forth below, for purposes of this Agreement:

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(a) ANNUAL AWARD. "Annual Award" means the cash payment paid or payable to the Executive with respect to a fiscal year under the Corporation's Incentive Compensation Plan.

(b) BASE ANNUAL SALARY. "Base Annual Salary" means the greater of (1) the highest annual rate of base salary in effect for the Executive during the 12 month period immediately prior to a Change of Control or, (2) the annual rate of base salary in effect at the time Notice of Termination is given (or on the date employment is terminated if no Notice of Termination is required).

(c) CAUSE. "Cause" means any of the following:

(1) The Executive shall have committed a felony or an intentional act of gross misconduct, moral turpitude, fraud, embezzlement, or theft in connection with the Executive's duties or in the course of the Executive's employment with the Corporation or any Subsidiary, and the Board shall have determined that such act is materially harmful to the Corporation;

(2) The Corporation or any Subsidiary shall have been ordered or directed by any federal or state regulatory agency with jurisdiction to terminate or suspend the Executive's employment and such order or directive has not been vacated or reversed upon appeal; or

(3) After being notified in writing by the Board to cease any particular Competitive Activity (as defined herein), the Executive shall have continued such Competitive Activity and the Board shall have determined that such act is materially harmful to the Corporation.

For purposes of this Agreement, no act or failure to act on the part of the Executive shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done or omitted to be done by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Corporation. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for "Cause" under this Agreement unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the Board at a meeting called and held for such purposes, after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel (if the Executive chooses to have counsel present at such meeting), to be heard before the Board, finding that, in the good faith opinion of the Board, the Executive had committed an act constituting "Cause" as defined in this Agreement and specifying the particulars of the act constituting "Cause" in detail. Nothing in this Agreement will limit the right of the Executive or the Executive's beneficiaries to contest the validity or propriety of any such determination.

(d) CHANGE OF CONTROL. "Change of Control" means the occurrence of any of the following:

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(1) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation's then outstanding securities; or

(2) A majority of the Board of Directors of the Corporation at any time is comprised of other than Continuing Directors (for purposes of this section, the term "Continuing Director" means a director who was either (A) first elected or appointed as a Director prior to the date of this Agreement; or (B) subsequently elected or appointed as a director if such director was nominated or appointed by at least a majority of the then Continuing Directors); or

(3) Any event or transaction if the Corporation would be required to report it in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act; or

(4) Any of the following occurs:

(A) a merger or consolidation of the Corporation, other than a merger or consolidation in which the voting securities of the Corporation immediately prior to the merger or consolidation continue to represent (either by remaining outstanding or being converted into securities of the surviving entity) 51% or more of the combined voting power of the Corporation or surviving entity immediately after the merger or consolidation with another entity;

(B) a sale, exchange, lease, mortgage, pledge, transfer, or other disposition (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Corporation which shall include, without limitation, the sale of assets or earning power aggregating more than 50% of the assets or earning power of the Corporation on a consolidated basis;

(C) a liquidation or dissolution of the Corporation;

(D) a reorganization, reverse stock split, or recapitalization of the Corporation which would result in any of the foregoing; or

(E) a transaction or series of related transactions having, directly or indirectly, the same

effect as any of the foregoing.

(e) CHANGE YEAR. "Change Year" means the fiscal year in which a Change of Control occurs.

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(f) COMPETITIVE ACTIVITY. "Competitive Activity" means that Executive's participation, without the written consent of an officer of the Corporation, in the management of any business enterprise if such enterprise engages in substantial and direct competition with the Corporation and such enterprise's revenues derived from any product or service competitive with any product or service of the Corporation amounted to 10% or more of such enterprise's revenues for its most recently completed fiscal year and if the Corporation's revenues for such product or service amounted to 10% of the Corporation's revenues for its most recently completed fiscal year. "Competitive Activity" will not include (i) the mere ownership of securities in any such enterprise and the exercise of rights appurtenant thereto and (ii) participation in the management of any such enterprise other than in connection with the competitive operations of such enterprise.

(g) DISABILITY. "Disability" means that, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall be eligible for the receipt of benefits under the Corporation's long term disability plan.

(h) EMPLOYEE BENEFITS. "Employee Benefits" means the perquisites, benefits, and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs, or arrangements in which the Executive is entitled to participate, including without limitation any stock option, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital, or other insurance (whether funded by actual insurance or self-insured by the Corporation), disability, salary continuation, expense reimbursement, and other employee benefit policies, plans, programs, or arrangements that may now exist or any equivalent successor policies, plans, programs, or arrangements that may be adopted hereafter, providing perquisites and benefits at least as great in a monetary equivalent as are payable thereunder prior to a Change in Control.

(i) EMPLOYMENT AGREEMENT. "Employment Agreement" means an executed employment agreement between the Corporation and the Executive.

(j) GOOD REASON. "Good Reason" means the occurrence of any one or more of the following:

(1) The assignment to the Executive after a Change in Control of the Corporation of duties which are materially and adversely different from or inconsistent with the duties, responsibilities, and status of the Executive's position at any time during the 12 month period prior to such Change of Control, or which result in a significant change in the Executive's authority and responsibility as a senior executive of the Corporation;

(2) A reduction by the Corporation in the Executive's Base Annual Salary as of the day immediately prior to a Change of Control of the Corporation, or the failure to grant salary increases and bonus payments on a basis comparable to those granted to other executives of the Corporation, or a reduction of the Executive's most

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recent highest incentive bonus potential prior to such Change of Control under the Corporation's Incentive Compensation Plan, Long-Term Incentive Plan, or any successor plans;

(3) A demand by the Corporation that the Executive relocate to a location in excess of 35 miles from the location where the Executive is currently based, or in the event of any such relocation with the Executive's express written consent, the failure of the Corporation or a Subsidiary to pay (or reimburse the Executive for) all reasonable moving expenses incurred by the Executive relating to a change of principal residence in connection with such relocation and to indemnify the Executive against any loss in the sale of the Executive's principal residence in connection with any such change of

residence, all to the effect that the Executive shall incur no loss on an after tax basis;

(4) The failure of the Corporation to obtain a satisfactory agreement from any successor to the Corporation to assume and agree to perform this Agreement, as contemplated in Section 14 of this Agreement;

(5) The failure of the Corporation to provide the Executive with substantially the same Employee Benefits that were provided to him immediately prior to the Change in Control, or with a package of Employee Benefits that, though one or more of such benefits may vary from those in effect immediately prior to such Change in Control, is substantially comparable in all material respects to such Employee Benefits taken as a whole; or

(6) Any reduction in the Executive's compensation or benefits or adverse change in the Executive's location or duties, if such reduction or adverse change occurs at any time after the commencement of any discussion with a third party relating to a possible Change of Control of the Corporation involving such third party, if such reduction or adverse change is in contemplation of such possible Change of Control and such Change of Control is actually consummated within 12 months after the date of such reduction or adverse change.

The existence of Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute a waiver of the Executive's rights with respect to any circumstance constituting Good Reason under this Agreement. The Executive's determination of Good Reason shall be conclusive and binding upon the parties to this Agreement provided such determination has been made in good faith. Notwithstanding anything to the contrary in this Agreement, in the event that the Executive is serving as Chief Executive Officer of the Corporation immediately prior to the Change of Control, the occurrence of the Change of Control shall be conclusively deemed to constitute Good Reason.

(k) HIGHEST INCENTIVE COMPENSATION. "Highest Incentive Compensation" means the greater of the Executive's Potential Annual Award for the Executive's Incentive Group for (a) the Change Year or (b) the fiscal year immediately preceding the Change Year.

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For purposes of (b) above, if the Executive first became a participant in the Corporation's Incentive Compensation Plan for the Change Year, the Executive shall be deemed to have been a participant in the Corporation's Incentive Compensation Plan, and in the same Incentive Group, for the fiscal year immediately preceding the Change Year.

(l) HIGHEST LONG-TERM INCENTIVE COMPENSATION. "Highest Long-Term Incentive Compensation" means the greater of the Executive's Potential Long-Term Award for the Executive's Incentive Group pursuant to the Corporation's Long-Term Incentive Compensation Plan for (1) the multi-year cycle in which the Change Year occurs or (2) the multi-year cycle immediately prior to the multi-year cycle in which the Change Year occurs; provided, however, that if the Change of Control occurs on a date that falls within two multi-year cycles, the Highest Long-Term Incentive Compensation shall mean the greater of the Executive's Potential Long-Term Award for either of such multi-year cycles. If the Executive first became a participant in the Corporation's Long-Term Incentive Compensation Plan during the Change Year or the year immediately preceding the Change Year, the Executive shall be deemed to have been a participant in the Corporation's Long-Term Incentive Compensation Plan and in the same Incentive Group for (1) the multi-year cycle in which the Change Year occurs and the multi-year cycle immediately prior to the multi-year cycle in which the Change Year occurs or, (2) if the Change of Control occurs on a date that falls within two multi-year cycles, for both such multi-year cycles.

(m) INCENTIVE COMPENSATION PLAN. "Incentive Compensation Plan" means the Corporation's Incentive Compensation Plan in effect as of the effective date of this Agreement, as well as any successor plan.

(n) INCENTIVE GROUP. "Incentive Group" means the group or category into which an Executive is placed pursuant to the Corporation's Incentive Compensation Plan or Long-Term Incentive Compensation Plan, as the case may be.

(o) LONG-TERM AWARD. "Long-Term Award" means the total amount paid or payable at the end of a performance cycle under the

Corporation's Long-Term Incentive Compensation Plan.

(p) LONG-TERM INCENTIVE COMPENSATION PLAN. "Long-Term Incentive Compensation Plan" means the Corporation's Long-Term Incentive Compensation Plan in effect as of the effective date of this Agreement, as well as any successor plan.

(q) NOTICE OF TERMINATION. "Notice of Termination" means a written notice indicating the specific termination provision in this Agreement relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the employment under the provision so indicated.

(r) POTENTIAL ANNUAL AWARD. "Potential Annual Award" means the maximum possible Annual Award the Executive could receive according to his or her Incentive Group pursuant to the Corporation's Incentive Compensation Plan assuming that (1) the Corporation met the maximum ROAE for the Corporation's Incentive Compensation Plan for a particular

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fiscal year (whether or not such maximum ROAE was or could be met); (2) there are no adjustments for business unit or individual performance, and (3) the Executive's Base Annual Salary is used to determine the Potential Annual Award.

(s) POTENTIAL LONG-TERM AWARD. "Potential Long-Term Award" means the maximum possible Long-Term Award payable to the Executive pursuant to Executive's Incentive Group assuming that (1) the Corporation met the maximum ROAE for the Corporation's Long-Term Incentive Compensation Plan for a particular cycle (whether or not such maximum ROAE was or could be met); and (2) the Executive's Base Annual Salary is used to determine the Potential Long-Term Award.

(t) RETIREMENT. "Retirement" means having reached normal retirement age as defined in the Corporation's noncontributory pension plan or taking early retirement in accordance with the terms of the Corporation's noncontributory pension plan.

(u) ROAE "ROAE" means return on average equity as referenced in the Corporation's Incentive Compensation Plan and the Corporation's Long-Term Incentive Compensation Plan, as the case may be.

(v) SEVERANCE BENEFITS. "Severance Benefits" means the benefits described in Section 4 of this Agreement, as adjusted by the applicable provisions of Section 5 of this Agreement.

(w) SUBSIDIARY. "Subsidiary" means any corporation, bank, or other entity a majority of the voting control of which is directly or indirectly owned or controlled at the time by the Corporation.

3. ELIGIBILITY FOR SEVERANCE BENEFITS. The Corporation or its successor shall pay or provide to the Executive the Severance Benefits if the Executive's employment is terminated voluntarily or involuntarily during the term of this Agreement, either:

(a) by the Corporation (1) at any time within 36 months after a Change of Control of the Corporation, or (2) at any time prior to a Change of Control but after the commencement of any discussions with a third party relating to a possible Change of Control of the Corporation involving such third party, if such termination is in contemplation of such possible Change of Control and such Change of Control is actually consummated within 12 months after the date of such termination, in either case unless the termination is on account of the Executive's death or Disability or for Cause, provided that, in the case of a termination on account of the Executive's Disability or for Cause, the Corporation shall give Notice of Termination to the Executive with respect thereto; or

(b) by the Executive for Good Reason (1) at any time within 36 months after a Change of Control of the Corporation or (2) at any time after the commencement of any discussions with a third party relating to a possible Change of Control of the Corporation involving such third party, if such Change of Control is actually consummated within 12

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months after the date of such termination, and, in any such case, provided that the Executive shall give Notice of Termination to the Corporation with respect thereto.

4. SEVERANCE BENEFITS. The Executive, if eligible under Section 3, shall receive the following Severance Benefits, adjusted by the applicable provisions of Section 5 (in addition to accrued compensation, bonuses, and vested benefits and stock options):

(a) BASE ANNUAL SALARY. In addition to any accrued compensation payable as of the Executive's termination of employment (either by reason of an Employment Agreement or otherwise), a lump sum cash amount equal to the Executive's Base Annual Salary, multiplied by 2.5.

(b) ANNUAL INCENTIVE COMPENSATION. In addition to any compensation payable pursuant to Article 5 of the Corporation's Incentive Compensation Plan, a lump sum cash amount equal to the Executive's Highest Incentive Compensation, multiplied by 2.5. In order to be entitled to a payment pursuant to this Section 4(b), the Executive must have been a participant in the Corporation's Incentive Compensation Plan at some time during the 12 month period immediately preceding the Change of Control.

(c) LONG-TERM INCENTIVE COMPENSATION. In addition to any accrued compensation payable pursuant to Article 9 of the Corporation's Long-Term Incentive Compensation Plan, a lump sum cash amount equal to the Highest Long-Term Incentive Compensation, multiplied by 1.5. In order to be entitled to a payment pursuant to this Section 4(c), the Executive must have been a participant in the Corporation's Long-Term Incentive Compensation Plan at some time during the 12 month period immediately preceding the Change of Control.

(d) INSURANCE BENEFITS. For a three year period after the date the employment is terminated, the Corporation will arrange to provide to the Executive at the Corporation's expense, with:

(1) HEALTH CARE. Health care coverage comparable to that in effect for the Executive immediately prior to the termination (or, if more favorable to the Executive, that furnished generally to salaried employees of the Corporation), including, but not limited to, hospital, surgical, medical, dental, prescription, and dependent coverage. Upon the expiration of the health care benefits required to be provided pursuant to this subsection 4(d), the Executive shall be entitled to the continuation of such benefits under the provisions of the Consolidated Omnibus Budget Reconciliation Act. Health care benefits otherwise receivable by the Executive pursuant to this subsection 4(d) shall be reduced to the extent comparable benefits are actually received by the Executive from a subsequent employer during the three-year period following the date the employment is terminated and any such benefits actually received by the Executive shall be reported by the Executive to the Corporation.

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(2) LIFE INSURANCE. Life and accidental death and dismemberment insurance coverage (including any supplemental coverage, purchase opportunity, and double indemnity for accidental death that was available to the Executive) equal (including policy terms) to that in effect at the time Notice of Termination is given (or on the date the employment is terminated if no Notice of Termination is required) or, if more favorable to the Executive, equal to that in effect at the date the Change of Control occurs.

(3) DISABILITY INSURANCE. Disability insurance coverage (including policy terms) equal to that in effect at the time Notice of Termination is given (or on the date employment is terminated if no Notice of Termination is required) or, if more favorable to the Executive, equal to that in effect immediately prior to the Change of Control; provided, however, that no income replacement benefits will be payable under such disability policy with regard to the three year period following a termination of employment provided that the payments payable under subsections 4(b) and (c) above have been made.

In the event the Executive's participation in any such plan or program is not permitted, the Corporation will directly provide, at no after-tax cost to the Executive, the benefits to which the Executive would be entitled under such plans and programs.

(e) RETIREMENT BENEFITS. The Executive will be entitled to receive retirement benefits as provided herein, so that the total retirement benefits the Executive receives from the Corporation will approximate the total retirement benefits the Executive would have received under all (qualified and nonqualified) retirement plans (which

shall not include severance plans) of the Corporation in which the Executive participates were the Executive fully vested under such retirement plans and had the Executive continued in the employ of the Corporation for 36 months following the date of the Executive's termination or until the Executive's Retirement, if earlier (provided that such additional period shall be inclusive of and shall not be in addition to any period of service credited under any severance plan of the Corporation). The benefits specified in this subsection will include all ancillary benefits, such as early retirement and survivor rights and benefits available at retirement. The amount payable to the Executive or the Executive's beneficiaries under this subsection shall equal the excess of (1) the retirement benefits that would be paid to the Executive or the Executive's beneficiaries, under all retirement plans of the Corporation in which the Executive participates if (A) the Executive were fully vested under such plans, (B) the 36-month period (or the period until the Executive's Retirement, if less) following the date of the Executive's termination were added to the Executive's credited service under such plans, (C) the terms of such plans were those most favorable to the Executive in effect at any time during the period commencing prior to the Change of Control and ending on the date of Notice of Termination (or on the date employment is terminated if no Notice of Termination is required), and (D) the Executive's highest average annual compensation as defined under such retirement plans and was calculated as if the Executive had been employed by the Corporation for a 36-month period (or the period until the Executive's Retirement, if earlier) following the date of the Executive's termination and had the Executive's compensation during such period been equal to the Executive's compensation used to calculate the

Executive's benefit under subsections 4(a), 4(b), and 4(c); over (2) the retirement benefits that are payable to the Executive or the Executive's beneficiaries under all retirement plans of the Corporation in which the Executive participates. These retirement benefits specified in this subsection are to be provided on an unfunded basis, are not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code, and shall be payable solely from the general assets of the Corporation. These retirement benefits shall be payable at the time and in the manner provided in the applicable retirement plans to which they relate.

(f) OUTPLACEMENT. The Corporation shall pay all fees for outplacement services for the Executive up to a maximum equal to 15% of the Executive's Annual Base Salary used to calculate the Executive's benefit under subsection 4(a), plus provide a travel expense account of up to \$5,000 to reimburse job search travel.

(g) STOCK OPTIONS. Stock Options held by the Executive become exercisable upon a Change of Control according to the terms of the Corporation's Stock Option Plans as interpreted by the Corporation's Compensation and Stock Option Committee as such Committee existed immediately prior to the Change of Control.

In computing and determining Severance Benefits under subsections 4(a), (b), (c), (d), (e), (f), and (g) above, a decrease in the Executive's salary, incentive bonus potential, or insurance benefits shall be disregarded if such decrease occurs within six months before a Change of Control, is in contemplation of such Change of Control, and is taken to avoid the effect of this Agreement should such action be taken after such Change of Control. In such event, the salary, incentive bonus potential, and/or insurance benefits used to determine Severance Benefits shall be that in effect immediately before the decrease that is disregarded pursuant to this Section 4.

The Severance Benefits provided in subsections 4(a), (b), and (c) above shall be paid not later than 45 business days following the date the Executive's employment terminates.

5. TAX GROSS-UP. If any Severance Benefit or other benefit paid or provided under Section 4, or the acceleration of stock option vesting, or the payment or distribution of any Employee Benefit or similar benefit is subject to excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any similar federal or state excise tax), the Corporation shall pay to the Executive such additional compensation as is necessary (after taking into account all federal, state, and local income taxes payable by the Executive as a result of the receipt of such additional compensation) to place the Executive in the same after-tax position he would have been in had no such excise tax (or any interest or penalties thereon) been paid or incurred with respect to any of such amounts (the "Tax Gross-Up"). The Corporation shall pay such additional compensation at the time when the Corporation withholds such excise tax from any payments to the Executive. The calculation of the Tax Gross-Up shall be approved by the Corporation's



independent certified public accounting firm engaged by the Corporation immediately prior to the Change in Control and the calculation shall be provided to the Executive in writing. The Executive shall then be given 15 days, or such longer period as the Executive reasonably requests, to accept or reject the calculation of the Tax Gross-Up. If the Executive rejects the Tax Gross-Up calculation and the parties are thereafter unable to agree within an additional 45 days, the arbitration provisions of Section 10 shall

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control. The Corporation shall reimburse the Executive for all reasonable legal and accounting fees incurred with respect to the calculation of the Tax Gross-Up and any disputes related thereto.

For purposes of determining the amount of the Tax Gross-Up, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Tax Gross-Up is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of the Executive's residence on the date of termination.

If the excise tax is subsequently determined to be less than the amount taken into account hereunder at the time of termination of employment, the Executive shall repay to the Corporation at the time the reduction in excise tax is finally determined, the portion of the Tax Gross-Up attributable to such reduction. Notwithstanding the Executive's acceptance or rejection of the Tax Gross-Up calculation, if the excise tax is determined to exceed the amount taken into account hereunder at the time of termination of employment, the Corporation shall make an additional Tax Gross-Up payment to the Executive in respect of such excess at the time the amount of such excess is finally determined.

Notwithstanding anything to the contrary in this Section 5, if any Severance Benefit or other benefit paid or provided under Section 4, or the acceleration of stock option vesting, or the payment or distribution of any Employee Benefits or similar benefits would be subject to excise tax pursuant to Section 4999 of the Code (or any similar federal or state excise tax), but would not be so subject if the total of such payments would be reduced by 10% or less, then such payment shall be reduced by the minimum amount necessary so as not to cause Corporation to have paid an Excess Severance Payment as defined in Section 280G(b)(1) of the Code and so the Executive will not be subject to Excise Tax pursuant to Section 4999 of the Code. The calculation of any potential reduction pursuant to this paragraph or any disputes related thereto shall be resolved as described above with respect to the calculation of the Tax Gross-Up. In the event that the amount of any Severance Payments that would be payable to or for the benefit of Executive under this Agreement must be modified or reduced to comply with this provision, Executive shall direct which Severance Payments are to be modified or reduced; provided, however, that no increase in the amount of any payment or change in the timing of the payment shall be made without the consent of Corporation. In no event shall the total payments be reduced by more than 10% in order to avoid treatment as an Excess Severance Payment.

6. WITHHOLDING OF TAXES. The Corporation may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as required by law.

7. ACKNOWLEDGEMENT. The Corporation hereby acknowledges that it will be difficult and may be impossible for the Executive to find reasonably comparable employment, or to measure the amount of damages which the Executive may suffer as a result of termination of employment hereunder. Accordingly, the payment of the Severance Benefits by the Corporation to the Executive in accordance with the terms of this Agreement is hereby acknowledged by the Corporation to be reasonable and will be liquidated damages, and the Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any profits, income, earnings, or other benefits from any source whatsoever create any

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mitigation, offset, reduction, or any other obligation on the part of the Executive hereunder or otherwise, except for a reduction in health insurance coverage as provided in subsection 4(d)(1). The Corporation shall not be entitled to set off or counterclaim against amounts payable hereunder with respect to any claim, debt, or obligation of the Executive.

8. ENFORCEMENT COSTS; INTEREST. The Corporation is aware that, upon the occurrence of a Change in Control, the Board or a stockholder of the Corporation may then cause or attempt to cause the Corporation to refuse to comply with its obligations under this Agreement, or may cause or attempt to cause the Corporation to institute, or may institute, litigation, arbitration, or other legal action seeking to have this Agreement declared unenforceable, or may take, or attempt to take, other action to deny the Executive the benefits intended under this Agreement. In these circumstances, the purpose of this Agreement

could be frustrated. It is the intent of the Corporation that the Executive not be required to incur the expenses associated with the enforcement of the Executive's rights under this Agreement by litigation, arbitration, or other legal action nor be bound to negotiate any settlement of the Executive's rights hereunder under threat of incurring such expenses because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Executive under this Agreement. Accordingly, if following a Change in Control it should appear to the Executive that the Corporation has failed to comply with any of its obligations under this Agreement, including the proper calculation of the Tax Gross-Up, or in the event that the Corporation or any other person takes any action to declare this Agreement void or unenforceable, or institute any litigation or other legal action designed to deny, diminish, or to recover from the Executive, the benefits intended to be provided to the Executive hereunder, the Corporation irrevocably authorizes the Executive from time to time to retain counsel (legal and accounting) of the Executive's choice at the expense of the Corporation as provided in this Section 8 to represent the Executive in connection with the calculation of the Tax Gross-Up, or the initiation or defense of any litigation or other legal action, whether by or against the Corporation or any director, officer, stockholder, or other person affiliated with the Corporation. Notwithstanding any existing or prior attorney-client relationship between the Corporation and such counsel, the Corporation irrevocably consents to the Executive entering into an attorney-client relationship with such counsel, and in that connection the Corporation and the Executive agree that a confidential relationship shall exist between the Executive and such counsel. The reasonable fees and expenses of counsel selected from time to time by the Executive as provided in this Section shall be paid or reimbursed to the Executive by the Corporation on a regular, periodic basis upon presentation by the Executive of a statement or statements prepared by such counsel in accordance with its customary practices. In any action involving this Agreement, the Executive shall be entitled to prejudgment interest on any amounts found to be due him from the date such amounts would have been payable to the Executive pursuant to this Agreement at an annual rate of interest equal to the prime commercial rate in effect at The Huntington National Bank or its successor from time to time during the prejudgment period plus 4 percent.

9. INDEMNIFICATION. From and after the earliest to occur of a Change of Control or termination of employment, the Corporation shall (a) for a period of five years after such occurrence, provide the Executive (including the Executive's heirs, executors, and administrators) with coverage under a standard directors' and officers' liability insurance policy at the Corporation's expense, and (b) indemnify and hold harmless the Executive, to the fullest extent permitted or authorized by the law of the State of Maryland as it may from time to time be amended, if the Executive is (whether

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before or after the Change of Control) made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that the Executive is or was a director, officer, or employee of the Corporation or any Subsidiary, or is or was serving at the request of the Corporation or any Subsidiary as a director, trustee, officer, or employee of a bank, corporation, partnership, joint venture, trust, or other enterprise. The indemnification provided by this Section 9 shall not be deemed exclusive of any other rights to which the Executive may be entitled under the charter or bylaws of the Corporation or of any Subsidiary, or any agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in the Executive's official capacity and as to action in another capacity while holding such office, and shall continue as to the Executive after the Executive has ceased to be a director, trustee, officer, or employee and shall inure to the benefit of the heirs, executors, and administrators of the Executive.

10. ARBITRATION. The initial method for resolving any dispute arising out of this Agreement shall be nonbinding arbitration in accordance with this Section. Except as provided otherwise in this Section, arbitration pursuant to this Section shall be governed by the Commercial Arbitration Rules of the American Arbitration Association. A party wishing to obtain arbitration of an issue shall deliver written notice to the other party, including a description of the issue to be arbitrated. Within 15 days after either party demands arbitration, the Corporation and the Executive shall each appoint an arbitrator. Within 15 additional days, these two arbitrators shall appoint the third arbitrator by mutual agreement; if they fail to agree within this 15 day period, then the third arbitrator shall be selected promptly pursuant to the rules of the American Arbitration Association for Commercial Arbitration. The arbitration panel shall hold a hearing in Columbus, Ohio, within 90 days after the appointment of the third arbitrator. The fees and expenses of the arbitrator, and any American Arbitration Association fees, shall be paid by the Corporation. Both the Corporation and the Executive may be represented by counsel (legal and accounting) and may present testimony and other evidence at the hearing. Within 90 days after commencement of the hearing, the arbitration panel will issue a written decision; the majority vote of two of the three arbitrators shall control. The majority decision of the arbitrators shall not be binding on the

parties, and the parties may pursue other available legal remedies if the parties are not satisfied with the majority decision of the arbitrator. The Executive shall be entitled to seek specific performances of the Executive's rights under this Agreement during the pendency of any dispute or controversy arising under or in connection with this Agreement.

11. EMPLOYMENT RIGHTS. This Agreement sets forth the Severance Benefits payable to the Executive in the event the Executive's employment with the Corporation is terminated under certain conditions specified in Section 3. This Agreement is not an employment contract nor shall it confer upon the Executive any right to continue in the employ of the Corporation or its Subsidiaries and shall not in any way affect the right of the Corporation or its Subsidiaries to dismiss or otherwise terminate the Executive's employment at any time with or without cause.

12. ARRANGEMENTS NOT EXCLUSIVE. The specific benefit arrangements referred to in this Agreement are not intended to exclude the Executive from participation in or from other benefits available to executive personnel generally or to preclude the Executive's right to other compensation or benefits as may be authorized by the Board at any time. The provisions of this Agreement and any payments provided for hereunder shall not reduce any amounts otherwise payable, or in any way diminish the Executive's existing rights, or rights which would accrue solely as the result of the

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passage of time under any compensation plan, benefit plan, incentive plan, stock option plan, employment agreement, or other contract, plan, or arrangement except as may be specified in such contract, plan, or arrangement. Notwithstanding anything to the contrary in this Section 12, the Severance Benefits provided in Section 4 are in lieu of any benefits to which the Executive would be entitled following the termination of his or her employment pursuant to any Employment Agreement or pursuant to the Corporation's Transition Pay or any successor to such plan.

13. TERMINATION. Except for termination of employment described in Section 3(b), this Agreement shall terminate if the employment of the Executive with the Corporation shall terminate prior to a Change in Control.

14. SUCCESSORS; BINDING AGREEMENTS. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. The Executive's rights and benefits under this Agreement may not be assigned, except that if the Executive dies while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to the beneficiaries designated by the Executive to receive benefits under this Agreement in a writing on file with the Corporation at the time of the Executive's death or, if there is no such beneficiary, to the Executive's estate. The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Corporation (or of any division or Subsidiary thereof employing the Executive) to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place. Failure of the Corporation to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Corporation in the same amount and on the same terms to which the Executive would be entitled hereunder if the Executive terminated employment for Good Reason following a Change of Control.

15. NO VESTED INTEREST. Neither the Executive nor the Executive's beneficiaries shall have any right, title, or interest in any benefit under this Agreement prior to the occurrence of the right to the payment of such benefit.

16. NOTICE. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the such addresses as each party may designate from time to time to the other party in writing in the manner provided herein. Unless designated otherwise notices to the Corporation should be sent to the Corporation at:

Huntington Bancshares Incorporated  
41 South High Street  
Columbus, Ohio 43287  
Attention: Cindy Rohletter/Corporate Compensation

Until designated otherwise, notices shall be sent to the employee at the address indicated on the Beneficiary Designation and Notice form attached hereto as Exhibit A. If the parties by mutual

agreement supply each other with telecopier numbers for the purposes of providing notice by facsimile, such notice shall also be proper notice under this Agreement. Notice sent by certified or registered mail shall be effective two days after deposit by delivery to the U.S. Post Office.

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

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

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

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

18. AMENDMENT; WAIVER. This Agreement may not be amended or modified and no provision may be waived unless such amendment, modification, or waiver is agreed to in writing and signed by the Executive and the Corporation.

19. VALIDITY. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

20. PRIOR EXECUTIVE AGREEMENTS. This Agreement supersedes any and all prior Executive Agreements between the Corporation (or any predecessor of the Corporation) and the Executive and no payments or benefits of any kind shall be made under, on account of, or by reference to the prior Executive Agreements.

21. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

22. GOVERNING LAW. Except as otherwise provided, this Agreement shall be governed by the laws of the State of Ohio, without giving effect to any conflict of law provisions.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the day and year written above.

CORPORATION:  
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HUNTINGTON BANCSHARES INCORPORATED

By: /s/ Frank Wobst  
-----  
Chief Executive Officer

EXECUTIVE:  
-----

\_\_\_\_\_

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19. VALIDITY. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

20. PRIOR EXECUTIVE AGREEMENTS. This Agreement supersedes any and all prior Executive Agreements between the Corporation (or any predecessor of the Corporation) and the Executive and no payments or benefits of any kind shall be made under, on account of, or by reference to the prior Executive Agreements.

21. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

22. GOVERNING LAW. Except as otherwise provided, this Agreement shall be governed by the laws of the State of Ohio, without giving effect to any conflict of law provisions.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the day and year written above.

CORPORATION:  
-----

HUNTINGTON BANCSHARES INCORPORATED

By: \_\_\_\_\_  
Secretary and General Counsel

EXECUTIVE:  
-----  
\_\_\_\_\_

Exhibit 10(c)  
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EXHIBIT A  
BENEFICIARY DESIGNATION AND NOTICE FORM

BENEFICIARY DESIGNATION

In the event of my death, I direct that any amounts due me under the Agreement to which this Beneficiary Designation is attached shall be distributed to the person designated below. If no beneficiary shall be living to receive such assets they shall be paid to the administrator or executor of my estate.

NOTICE

Until notified otherwise, pursuant to Section 16 of the Agreement, notices should be sent to me at the following address

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive

\_\_\_\_\_  
Beneficiary



EXHIBIT 10(d)

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

<TABLE>	
<CAPTION>	
NAME	EFFECTIVE DATE
-----	-----
<S>	
Peter E. Geier	April 1, 1998
Ronald J. Seiffert	April 1, 1998
Frank Wobst	April 1, 1998
</TABLE>	

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

<TABLE>	
<CAPTION>	
NAME	EFFECTIVE DATE
-----	-----
<S>	
Richard A. Cheap	May 4, 1998
Judith D. Fisher	April 1, 1998
Gerald R. Williams	April 1, 1998
</TABLE>	

HUNTINGTON BANCSHARES INCORPORATED

INCENTIVE COMPENSATION PLAN

As Amended and Restated Effective for Performance Cycles  
beginning on or after January 1, 1999  
(including amendment adopted January 20, 1999)

PURPOSE; EFFECTIVE DATE  
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1.1 The purpose of this Incentive Compensation Plan ("Plan") is to encourage, recognize, and reward exceptional levels of corporate, business unit, and individual performance. The Plan's intent is to use award dollars as a clear communication vehicle linking the interests of eligible officers with the interests of Huntington Bancshares Incorporated ("Corporation") by establishing a direct link between performance and incentive payments. The Plan serves to reinforce a management style which closely ties officer rewards to performance directly under his or her control and establishes the Corporation's willingness to reward individual performance that has a direct impact on incremental earnings. The purpose of this Incentive Compensation Plan (the "Plan") is to provide incentive for key employees whose sustained performance directly influences the creation of shareholder value.

1.2 The Plan, as amended, will become effective upon approval by a majority of the votes cast by shareholders of the Corporation at the annual meeting on April 22, 1999, but will relate to Performance Cycles beginning January 1, 1999, and thereafter. No payments will be made under the Plan unless shareholder approval is obtained.

1  
DEFINITION OF TERMS  
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2.1 As used herein, the following words shall have the meanings stated after them, unless otherwise specifically provided:

- (a) "AWARD" shall mean a cash incentive payment granted to a Participant under the Plan.
- (b) "BASE SALARY" shall mean the annual cash salary payable to an Officer excluding bonuses, incentive compensation, stock options, employer contributions to pension or benefit plans, and other forms of irregular payments and deferred compensation.
- (c) "COMMITTEE" shall mean the Compensation and Stock Option Committee of the Board of Directors of the Corporation, which shall be composed of two or more directors each of whom is an "outside director" within the meaning of Section 162(m) as hereinafter defined.
- (d) "CORPORATION" shall mean Huntington Bancshares Incorporated.
- (e) "COVERED OFFICERS" shall mean the Participant or Participants the Committee designates in order to maintain qualified performance-based compensation within the meaning of Section 162(m).
- (f) "EXTRAORDINARY EVENTS" shall mean (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, (v) capital gains and losses, (vi) special charges in connection with the mergers and acquisitions, and (vii) any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 and/or in management's discussion and analysis of financial condition and results of operation appearing or incorporated by



reference in the Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the applicable year.

(g) "OFFICER" shall mean an officer of the Corporation or of a Subsidiary.

(h) "PARTICIPANT" shall mean an Officer selected to participate in the Plan in accordance with section 4.1.

(i) "PERFORMANCE CYCLE" shall mean the calendar year.

(j) "QUALIFYING PERFORMANCE CRITERIA" shall mean any one or more of the following performance criteria (either individually, alternatively or in any combination, applied to either the Corporation as a whole or to a business unit or subsidiary, either individually, alternatively or in any combination, and measured annually, on an absolute basis or relative to a pre-established target to previous years' results or to a designated comparison group, in each case as specified by the Committee in the Award): (a) net income, (b) earnings per share, (c) return on equity or return on average equity ("ROAE"), (d) return on assets or return on average assets, and (e) operating expenses as a percentage of total revenues (known as the "efficiency ratio"). In all cases, such amounts will be on either a reported basis or adjusted to exclude the impact of intangible assets and related amortization expense (referred to as "cash basis" or "tangible" results) whichever will produce the higher Award.

(k) "SECTION 162(M)" shall mean Section 162(m) of the Internal Revenue Code of 1986, as amended, or any successor statute of similar import.

(l) "SUBSIDIARY" shall mean a subsidiary of the Corporation of which at least 50% of the voting power is directly or indirectly owned or controlled by the Corporation.

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ADMINISTRATION

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3.1 The Committee shall administer the Plan. The Committee is authorized to interpret and construe the Plan and to adopt such rules, regulations, and procedures for the administration of the Plan as the Committee deems necessary or advisable. The Committee's interpretations of the Plan, and all decisions and determinations made by the Committee, shall be conclusive and binding on all parties including the Corporation and any person claiming an Award under the Plan.

PLAN PARTICIPANTS

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4.1 Participation in the Plan shall be limited to Officers who are specified by the Committee to be key employees whose performance may, in the opinion of the Committee, significantly contribute to the long-term strategic performance and growth of the Corporation. The Committee shall select the Covered Officers and other Officers who will participate in the Plan for each Performance Cycle during the first 90 days of the Performance Cycle (or no later than such earlier or later date as may be the applicable deadline for any compensation payable to be considered performance-based pursuant to Section 162(m)) and may select Officers who are hired or promoted during a Performance Cycle to participate for the remainder of the Performance Cycle. Selection to participate in this Plan in any Performance Cycle does not require the Committee to, or imply that the Committee will, select the same person to participate in the Plan in any subsequent Performance Cycle.

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PERFORMANCE CRITERIA AND GOALS, MAXIMUM AWARD

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5.1 PERFORMANCE CRITERIA. Awards paid under the Plan may be based upon corporate, business unit, and individual performance; however, Awards paid to Covered Officers under the Plan will be based upon the achievement of a performance goal or goals measured solely by the Qualifying Performance Criteria selected by the Committee for a Performance Cycle. Measures of performance for

other Participants will be determined based upon the Qualifying Performance Criteria selected by the Committee and evaluations of the Participant's business unit and individual performance. Such evaluations will be made by the Participant's appropriate manager or senior officer. The Committee may select different Qualifying Performance Criteria for different incentive groups. The maximum annual Award payable to any Participant shall not exceed \$2,500,000 notwithstanding that the Qualifying Performance Criteria for a Performance Cycle may exceed the maximum performance goal.

5.2 PERFORMANCE GOALS. The Committee will establish annual written performance goals reflecting corporate performance. Performance goals based on the Qualifying Performance Criteria and the potential Award, expressed as a percentage of base salary as of December 31 of each plan year, that will be payable upon attainment of those performance goals, will be established in writing not later than 90 days after the commencement of the year to which the goals relate (or such earlier or later date as is permitted or required by Section 162(m)). Potential Awards may vary among Participants in different incentive groups as determined by the Committee. Extraordinary Events shall either be excluded or included in determining the extent to which the corresponding performance goal has been achieved, whichever will produce the higher Award.

5.3 ADJUSTMENTS. The Committee may increase individual Awards based upon extraordinary circumstances; however, under no circumstance may the Committee increase a

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Covered Officer's Award above the amount determined based on the attainment of the specified performance goals identified in accordance with Section 5.2. In addition, notwithstanding the attainment of specified performance goals, the Committee has the discretion to reduce or eliminate an Award that would otherwise be paid to any Participant, including any Covered Officer, based on its evaluation of Extraordinary Events or other factors. However, notwithstanding Section 9.1 or any provision of the Plan, an Award which is payable may not be reduced or eliminated following a Change in Control.

#### PAYMENT OF AWARDS

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6.1 PAYMENT OF AWARDS. Unless payment is deferred, Awards will be payable in cash as soon as practicable following the close of the Performance Cycle and calculation of the amount of the Awards; provided that Awards will be paid to Covered Officers only after the Committee has certified in writing in the minutes of a committee meeting or otherwise that performance goals applicable to Covered Officers and other material terms of the Plan have been satisfied. Except in the situation of a Change in Control, the Committee may defer payment of an Award for such period as the Committee may determine. No Award will be paid to an officer who is not employed by the Corporation or an affiliate on the day the Award is paid except in the case of death, disability, or retirement of the officer or in the event that payment of the Award is deferred by the Committee or that a Change in Control of the Corporation has occurred. Awards are subject to federal, state and local income and other payroll tax withholding or the Corporation may require that the Participant pay to the Corporation an amount equal to any such taxes.

In the event a Participant dies, becomes disabled, or retires before receipt of payment of an Award, as determined in the sole discretion of the Committee, the Committee may authorize

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payment to the Participant or the Participant's estate or beneficiary in such amount as the Committee deems appropriate.

#### CHANGE IN CONTROL OF THE CORPORATION

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7.1 INTERIM AWARDS. In the event of a "Change in Control" of the Corporation, as hereinafter defined, or at the direction of the Committee in anticipation of a Change in Control, the following provisions shall apply:

(a) The Committee shall make interim incentive compensation Awards based upon the Corporation's quarterly financial statements for the quarter ending immediately prior to or coinciding with the Change in Control.

(b) In determining the amount of interim incentive compensation Awards, the Committee shall follow the procedures for granting annual Awards, except that the Committee shall

annualize each objective performance factor used in calculating such Awards. The amount of the Awards so calculated shall be pro rated based upon the quarter as of which the interim Awards are granted in accordance with the following percentages: First Quarter - 25%; Second Quarter - 50%; Third Quarter - 75%; and Fourth Quarter - 100%

(c) Notwithstanding the foregoing, each interim Award to be made under this Section 7 to any Participant who received an Award under this Plan for the Performance Cycle immediately preceding the year in which the Change in Control occurs, expressed as a percentage of base salary on a pro rated basis in accordance with paragraph (b) above, shall be not less than the Award, expressed on the same

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basis, actually paid to that Participant under this Plan for the immediately preceding Performance Cycle.

(d) The Committee shall grant an interim incentive compensation Award in accordance with this Section 7 to all Participants of the Plan whether or not the Participants are employed by the Corporation when the Change in Control becomes effective.

7.2 CHANGE IN CONTROL DEFINED. For purposes of this section, a "Change in Control" of the Corporation shall be deemed to have occurred if and when, after the date hereof, any of the following occurs:

- (a) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation's then outstanding securities; or
- (b) A majority of the Board of Directors of the Corporation at any time is comprised of other than Continuing Directors (for purposes of this section, the term "Continuing Director" means a director who was either (i) first elected or appointed as a Director prior to the date of this Agreement; or (ii) subsequently elected or appointed as a director if such director was nominated or appointed by at least a majority of the then Continuing Directors); or
- (c) Any event or transaction if the Corporation would be required to report it in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act; or

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- (d) Any of the following occurs: (i) a merger or consolidation of the Corporation, other than a merger or consolidation in which the voting securities of the Corporation immediately prior to the merger or consolidation continue to represent (either by remaining outstanding or being converted into securities of the surviving entity) 51% or more of the combined voting power of the Corporation or surviving entity immediately after the merger or consolidation with another entity; (ii) a sale, exchange, lease, mortgage, pledge, transfer, or other disposition (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Corporation which shall include, without limitation, the sale of assets or earning power aggregating more than 50% of the assets or earning power of the Corporation on a consolidated basis; (iii) a liquidation or dissolution of the Corporation; (iv) a reorganization, reverse stock split, or recapitalization of the Corporation which would result in any of the foregoing; or (v) a transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

MISCELLANEOUS PROVISIONS.  
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8.1 GUIDELINES - From time to time the Committee may adopt written guidelines for implementation and administration of the Plan and in conformity with Section 162(m).

8.2 BINDING UPON SUCCESSORS - The obligations of the Corporation under the Plan shall be binding upon any successor corporation or organization which succeeds to substantially all of the assets and/or business of the Corporation. The term Corporation, whenever used in this Plan, shall mean and include any such corporation or organization after such succession.

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8.3 UNFUNDED PLANS AND RESTRICTIONS ON TRANSFER - It is intended that the Plan be an "unfunded" plan for incentive compensation. The Committee may authorize the use of trusts or other arrangements to meet the obligations hereunder, provided, however, that the existence of such trusts or arrangements is consistent with the "unfunded" status of the Plan. Any benefits to which a Participant or his or her beneficiary may become entitled under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to so transfer or encumber such benefits shall be void. This Plan does not give a Participant any interest, lien, or claim against any specific asset of the Corporation. Participants and beneficiaries shall have only the rights of a general unsecured creditor of the Corporation.

8.4 STATUS OF AWARDS UNDER SECTION 162(m) - It is the intent of the Corporation that Awards granted to persons who are Covered Officers shall constitute "qualified performance-based compensation" satisfying the requirements of Section 162(m). Accordingly, the provisions of the Plan shall be interpreted in a manner consistent with Section 162(m). If any provision of the Plan or any agreement relating to such an Award does not comply or is inconsistent with the requirements of Section 162(m), such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

8.5 DEFERRALS OF AWARDS - A Participant may elect to defer payment of the Participant's Award under the Plan if deferral of an Award under the Plan is permitted pursuant to the terms of a deferred compensation program established by the Committee existing at the time the election to defer is permitted to be made, and the Participant complies with the terms of such program. Deferred payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payment.

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8.6 EXPENSES OF PLAN - The costs and expenses of administering the Plan will be borne by the Corporation.

8.7 NO EMPLOYMENT RIGHTS - No Participant has any right to be retained in the employ of the Corporation or any Subsidiary by virtue of participation in the Plan.

8.8 GOVERNING LAW - The Plan shall be governed by and construed according to the laws of the State of Ohio.

AMENDMENT AND TERMINATION

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9.1 The Corporation may at any time terminate, or from time to time, amend the Plan by action of the Board of Directors or by action of the Committee without shareholder approval unless such approval is required to satisfy the applicable provisions of Section 162(m).

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HUNTINGTON BANCSHARES INCORPORATED

LONG-TERM INCENTIVE COMPENSATION PLAN

As Amended and Restated, Effective for Performance Cycles  
beginning on or after January 1, 1999  
(including amendments adopted January 20, 1999)

PURPOSE; EFFECTIVE DATE  
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1.1 The purpose of this Long-Term Incentive Compensation Plan (the "Plan") is to provide incentive for key employees whose sustained performance directly influences the creation of shareholder value.

1.2 The Plan, as amended, will become effective upon approval by a majority of the votes cast by shareholders of the Corporation at the annual meeting on April 22, 1999, but will relate to Performance Cycles beginning January 1, 1999, and thereafter. No payments will be made under the Plan unless shareholder approval is obtained.

DEFINITION OF TERMS

2.1 As used herein, the following words shall have the meanings stated after them, unless otherwise specifically provided:

(a) "AWARD" shall mean any stock or cash incentive award granted to a Participant under the Plan.

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(b) "BASE SALARY" shall mean the annual cash salary payable to an Officer excluding bonuses, incentive compensation, stock options, employer contributions to pension or benefit plans, and other forms of irregular payments and deferred compensation.

(c) "COMMITTEE" shall mean the Compensation and Stock Option Committee of the Board of Directors of the Corporation, which shall be composed of two or more directors each of whom is an "outside director" within the meaning of Section 162(m) as hereinafter defined.

(d) "COMMON STOCK" shall mean the shares without par value of common stock of the Corporation, whether presently or hereafter issued.

(e) "CORPORATION" shall mean Huntington Bancshares Incorporated.

(f) "EXTRAORDINARY EVENTS" shall mean (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, (v) capital gains and losses, (vi) special charges in connection with the mergers and acquisitions, and (vii) any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 and/or in management's discussion and analysis of financial condition and results of operation appearing or incorporated by reference in the Corporation's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the applicable year.

(f) "OFFICER" shall mean an officer of the Corporation or of a Subsidiary.

(g) "PARTICIPANT" shall mean an Officer selected to participate in the Plan in accordance with section 4.1.

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(h) "PERFORMANCE CYCLE" shall mean the two, three, or four calendar year period designated by the Committee.

(i) "QUALIFYING PERFORMANCE CRITERIA" shall mean any one or

more of the following performance criteria (either individually, alternatively or in any combination, applied to either the Corporation as a whole or to a business unit or subsidiary, either individually, alternatively or in any combination, and measured over a period of years, on an absolute basis or relative to a pre-established target to previous years' results or to a designated comparison group, in each case as specified by the Committee): (a) net income, (b) earnings per share, (c) return on equity or return on average equity ("ROAE"), (d) return on assets or return on average assets, (e) operating expenses as a percentage of total revenues (known as the efficiency ratio). In all cases, such amounts will be on either a reported basis or adjusted to exclude the impact of intangible assets and related amortization expense (referred to as "cash basis" or "tangible" results in order to produce the highest Award) whichever will produce the higher Award.

(j) "SECTION 162(m)" shall mean Section 162(m) of the Internal Revenue Code of 1986, as amended, or any successor statute of similar import.

(k) "SUBSIDIARY" shall mean a subsidiary of the Corporation of which at least 50% of the voting power is directly or indirectly owned or controlled by the Corporation.

#### ADMINISTRATION

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3.1 The Committee shall administer the Plan. The Committee is authorized to interpret and construe the Plan and to adopt such rules, regulations, and procedures for the administration of the Plan as the Committee deems necessary or advisable. The Committee's interpretations of the

3

Plan, and all decisions and determinations made by the Committee, shall be conclusive and binding on all parties including the Corporation and any person claiming an Award under the Plan.

#### PLAN PARTICIPANTS

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4.1 Participation in the Plan shall be limited to Officers who are specified by the Committee to be key employees whose performance may, in the opinion of the Committee, significantly contribute to the long-term strategic performance and growth of the Corporation. The Committee shall select those Officers who will participate in the Plan for each Performance Cycle during the first 90 days of the Performance Cycle (or no later than such earlier or later date as may be the applicable deadline for any compensation payable to be considered performance-based pursuant to Section 162(m)) and may select Officers who are hired or promoted during a Performance Cycle to participate for the remainder of the Performance Cycle. Selection to participate in this Plan in any Performance Cycle does not require the Committee to, or imply that the Committee will, select the same person to participate in the Plan in any subsequent Performance Cycle.

#### PERFORMANCE CRITERIA AND GOALS, MAXIMUM AWARD

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5.1 During the first 90 days of each Performance Cycle (or no later than such earlier or later date as may be the applicable deadline for any compensation payable to be considered performance-based pursuant to Section 162(m)), the Committee shall establish written performance goals based on the Qualifying Performance Criteria selected by the Committee for that Performance Cycle. The Committee may select different Qualifying Performance Criteria for different incentive

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groups. Awards under the Plan shall be based upon the achievement of a performance goal or goals during a Performance Cycle measured by the selected Qualifying Performance Criteria.

5.2 Awards under the Plan shall be equal to a percentage of a Participant's Base Salary as of December 31 of the last year of a Performance Cycle determined by reference to the attainment of the Corporation's performance goals for that Performance Cycle. The Committee shall adopt a written schedule of potential Awards, expressed as a percentage of Base Salary, during the first 90 days of each Performance Cycle (or no later than such earlier or later date as may be the applicable deadline for any compensation payable to be considered performance-based pursuant to Section 162(m)). Potential Awards may vary among Participants in different incentive groups as determined by the Committee. For an Officer who is selected to participate after the first 90 days of a Performance Cycle, the Award shall be pro-rated based upon the length of time

the Officer is a Participant. No Awards shall be paid pursuant to the Plan with respect to a Performance Cycle if the Qualifying Performance Criteria for that Performance Cycle is below the minimum corporate performance goal established by the Committee. Extraordinary Events shall either be excluded or included in determining the extent to which the corresponding performance goal has been achieved, whichever will produce the higher Award.

5.3 Notwithstanding the attainment of specified performance goals, the Committee has the discretion to reduce or eliminate an Award that would otherwise be payable to any Participant based on its evaluation of Extraordinary Events and other factors. The Committee may not increase an Award payable pursuant to the provisions of the Plan. Notwithstanding any other provision of this Plan, the maximum individual Award payable under the Plan with respect to a Performance Cycle shall be \$4,000,000 (or the Corporation's Common Stock equivalent), notwithstanding that

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the Qualifying Performance Criteria for a Performance Cycle may exceed the maximum performance goal.

#### PAYMENT OF AWARDS

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6.1 Awards will be made under the Plan in the form of shares of Common Stock of the Corporation; provided, however, that the maximum number of shares of Common Stock to be issued after January 1, 1999, shall not exceed 400,000 shares (which number shall be adjusted to reflect future stock splits, stock dividends, or other changes in capitalization of the Corporation); and provided further that any Participant, with the approval of the Committee, may elect to receive up to 50% of his or her Award in cash, whereupon that Participant will be entitled to receive only that number of shares of Common Stock determined as set forth in Section 9.2 or 9.3 hereof. Payment of Awards will be made as soon as practicable following the end of each Performance Cycle; provided that payments will be made only after the Committee has certified in writing, in the minutes of a Committee meeting or otherwise, that applicable performance goals and other material terms of the Plan have been satisfied.

6.2 Except as provided in Sections 7.2 and 8.1--8.5 hereof, no Award shall be paid to an Officer who is not employed by the Corporation or a Subsidiary on the day the Award is paid.

6.3 If at the time Participants are to receive payment of Awards, the Corporation or any Participant is prohibited from trading in Common Stock under applicable state or federal securities laws, the Committee may in its discretion withhold distribution of stock until such time as distribution is permitted; or may in its discretion authorize the entire payment to be paid in cash. If distribution of Common Stock is withheld, the Corporation shall make additional cash payments to reflect dividends paid during the period in which distribution was withheld.

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6.4 The Corporation may deduct from any payment made under this Plan all federal, state and local taxes required to be withheld with respect to such payment or may require that the Participant pay to the Corporation an amount equal to any such taxes.

#### TERMINATION OF EMPLOYMENT

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7.1 Except as provided in Section 8.1 -- 8.5 hereof, if a Participant's employment is terminated for any reason other than death, disability or retirement prior to receipt of payment of an Award with respect to a Performance Cycle, the Participant shall not receive any payment under the Plan based upon that Performance Cycle.

7.2 In the event a Participant dies, becomes disabled, or retires before receipt of payment of an Award, as determined in the sole discretion of the Committee, the Committee may authorize payment to the Participant or the Participant's estate or beneficiary in such amount as the Committee deems appropriate.

#### CHANGE IN CONTROL OF THE CORPORATION

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8.1 In the event of a Change in Control of the Corporation, as hereinafter defined, the provisions set forth below shall apply, and in the event of any conflict between Sections 8.1 - 8.5 and any other section of the Plan, the provisions of Sections 8.1 - 8.5 shall prevail.

8.2 Within 90 days after the Change in Control occurs, the persons who are Participants immediately prior to the Change in Control shall receive payment of Awards under the Plan in cash determined as follows:

- (a) If the Change in Control occurs before the end of the first year of a Performance Cycle, no payment shall be made with respect to that Performance Cycle.

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- (b) If the Change in Control occurs during the second year of a Performance Cycle or thereafter, Participants shall receive the full amount of the Award for that Performance Cycle based upon the Qualifying Performance Criteria, as established by the Committee for that Performance Cycle, determined using all calendar years in such Performance Cycle completed prior to the year of the Change in Control. Notwithstanding the above, if the Change in Control occurs in the second year of a Performance Cycle, the determination of the Qualifying Performance Criteria used in calculating the amount the Award shall include results under the Qualifying Performance Criteria using the calendar year results for the two calendar years immediately preceding the year of the Change in Control.

8.3 Notwithstanding Section 7.1 hereof, Participants whose employment terminates following a Change in Control, either voluntarily or involuntarily, shall receive payment of Awards in accordance with Section 8.2, unless such termination was pursuant to the commission by the Participant of a felony or an intentional act of fraud, embezzlement, or theft in connection with the Participant's duties to the Corporation.

8.4 Notwithstanding Section 11.1 of the Plan, after a Change in Control has occurred, neither the Committee nor the Board of Directors of the Corporation shall change the performance levels for a Performance Cycle that began prior to the date the Change of Control occurred or reduce or eliminate any awards otherwise payable to an Officer under this Plan.

8.5 For purposes of this section, a "Change in Control" of the Corporation shall be deemed to have occurred if and when, after the date hereof, any of the following have occurred:

- (a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the

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"beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation's then outstanding securities; or

- (b) a majority of the Board of Directors of the Corporation at any time is comprised of other than Continuing Directors (for purposes of this section, the term "Continuing Director" means a director who was either (i) first elected or appointed as a Director prior to the date of this Agreement; or (ii) subsequently elected or appointed as a director if such director was nominated or appointed by at least a majority of the then Continuing Directors); or
  - (c) any event or transaction if the Corporation would be required to report it in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act; or
  - (d) Any of the following occurs: (i) a merger or consolidation of the Corporation, other than a merger or consolidation in which the voting securities of the Corporation immediately prior to the merger or consolidation continue to represent (either by remaining outstanding or being converted into securities of the surviving entity) 51% or more of the combined voting power of the Corporation or surviving entity immediately after the merger or consolidation with another entity; (ii) a sale, exchange, lease, mortgage, pledge, transfer, or other disposition (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Corporation which shall include, without limitation, the sale of assets or earning power aggregating more than 50% of the assets or earning power of the Corporation on a consolidated basis; (iii) a liquidation or dissolution of the Corporation;
- (iv) a



reorganization, reverse stock split, or recapitalization of the Corporation which would result in any of the foregoing; or (v) a transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

PURCHASE AND DELIVERY OF STOCK  
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9.1 Common Stock delivered to Participants under the Plan shall be issued by the Corporation or, if the Committee so directs, shall be purchased in the open market by an independent buying agent selected by the Corporation. In no case shall a Participant be entitled to receive a fractional share.

9.2 In the event that the Common Stock to be delivered hereunder shall be issued by the Corporation, the number of shares to be issued and delivered to each Participant shall be that number of shares which could be purchased at the market price per share of Common Stock of the Corporation with the dollar amount of the Award to be made to that Participant, as provided in Section 5.2, less the amount of such Award that the Participant has elected to receive in cash. The "market price per share" of the Common Stock for purposes of this subsection shall be (1) the average of the highest and lowest sale prices per share quoted in the NASDAQ National Market System, if the shares are so quoted, (2) the mean between the bid and asked prices per share as reported by NASDAQ, if the shares are publicly traded, but are not quoted in the NASDAQ National Market System or listed on a securities exchange, or (3) if the shares are listed on a securities exchange, the average of the high and low prices at which such shares are quoted or traded on such exchange, in each case on the date on which the Committee certifies (in accordance with Section 6.1) that the performance goals and any other material terms were in fact satisfied, or if such date is not a trading day, the next preceding trading day.

9.3 In the event that the Committee shall determine that the Common Stock to be delivered shall be purchased in the open market, the Committee shall select a buying agent which shall be a licensed securities broker that is not affiliated with the Corporation. The Corporation or a Subsidiary shall pay to the buying agent all Awards under the Plan, except amounts which Participants have elected to receive in cash, for the purchase of Common Stock in open market purchases. The buying agent will perform all functions relating to the purchase of Common Stock and will have complete discretion regarding the timing of purchases; provided that purchases shall be made within thirty days after receipt by the buying agent of funds representing Awards unless such purchases are restricted by federal or state securities laws. The buying agent shall not purchase Common Stock directly from the Corporation. Certificates for Common Stock shall be delivered to Participants promptly after purchases are made.

9.4 Neither the Corporation nor buying agent shall have any liability to a Participant with respect to the timing of payment of Awards or the timing of purchases of Common Stock.

MISCELLANEOUS PROVISIONS.  
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10.1 GUIDELINES - From time to time the Committee may adopt written guidelines for implementation and administration of the Plan and in conformity with Section 162(m).

10.2 BINDING UPON SUCCESSORS - The obligations of the Corporation under the Plan shall be binding upon any successor corporation or organization which succeeds to substantially all of the assets and/or business of the Corporation. The term Corporation, whenever used in this Plan, shall mean and include any such corporation or organization after such succession.

10.3 UNFUNDED PLAN, RESTRICTIONS ON TRANSFER - It is intended that the Plan be an "unfunded" plan for incentive compensation. The Committee may authorize the use of Trusts or other

arrangements to meet the obligations hereunder, provided, however, that unless the Committee otherwise determines, the existence of such trusts or arrangements are consistent with the "unfunded" status of the Plan. Any benefits to which a Participant or his or her beneficiary may become entitled under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to so transfer or

encumber such benefits shall be void. This Plan does not give a Participant any interest, lien, or claim against any specific asset of the Corporation. Participants and beneficiaries shall have only the rights of a general unsecured creditor of the Corporation.

10.4 STATUS OF AWARDS UNDER SECTION 162(m) - It is the intent of the Corporation that Awards granted to persons who are Covered Employees within the meaning of Section 162(m) shall constitute "qualified performance-based compensation" satisfying the requirements of Section 162(m). Accordingly, the provisions of the Plan shall be interpreted in a manner consistent with Section 162(m). If any provision of the Plan or any agreement relating to such an Award does not comply or is inconsistent with the requirements of Section 162(m), such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

10.5 DEFERRALS OF AWARDS - A Participant may elect to defer payment of the Participant's Award under the Plan if deferral of an Award under the Plan is permitted pursuant to the terms of a deferred compensation program established by the Committee existing at the time the election to defer is permitted to be made, and the Participant complies with the terms of such program. Deferred payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payment or the granting or crediting of dividend equivalents in respect of installment or deferred payments in Common Stock of the Corporation.

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10.6 EXPENSES OF PLAN - The costs and expenses of administering the Plan, including brokerage fees and commissions, if any, will be borne by the Corporation.

10.7 NO EMPLOYMENT RIGHTS - No Participant has any right to be retained in the employ of the Corporation or any Subsidiary by virtue of participation in the Plan.

10.8 GOVERNING LAW - The Plan shall be governed by and construed according to the laws of the State of Ohio.

AMENDMENT AND TERMINATION  
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11.1 The Corporation may at any time terminate, or from time to time, amend the Plan by action of the Board of Directors or by action of the Committee without shareholder approval unless such approval is required to satisfy the applicable provisions of Section 162(m).

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SUBSIDIARIES OF HUNTINGTON BANCSHARES INCORPORATED

- - - - -

The subsidiaries of Huntington Bancshares Incorporated, as of February 1, 1999, are listed below. The state or jurisdiction of incorporation or organization of each subsidiary (unless otherwise noted) is Ohio.

The Huntington National Bank (United States) and its direct and indirect subsidiaries, 41 South High Ltd.\*\*, The Huntington Leasing Company, The Huntington Mortgage Company, Huntington Residential Mortgage Securities, Inc., The Huntington Investment Company, Forty-One Corporation, First Sunset Development, Inc., SFA Holding, Inc., East Sound Realty, Inc., Lodestone Realty Management, Inc., WS Realty, Inc., Fourteen Corporation, Airbase Realty Holding Company (Indiana), Airbase Realty Company, HNB Clearing, Inc., National Returns Clearinghouse, Ltd.\*\*, The Check Exchange System Co.\*\*, Thirty-Seven Corporation, Vehicle Reliance Company, Huntington Trade Services, Inc., Huntington Trade Services, Asia, Limited (Hong Kong), CyberMark L.L.C. (Delaware)\*\*, FMB Insurance Agency, Inc. (Michigan), Huntington Insurance Agency, Inc. (Kentucky), The Bank of Winter Park Mortgage Company (Florida), Huntington Title Services, Inc. (Michigan), Huntington Title Services, Inc. (West Virginia), and Huntington Merchant Services L.L.C. (Delaware)\*\*, Huntington Insurance Agency Services, Inc., Huntington Insurance Agency, Inc. (Michigan), Huntington Property and Casualty Insurance Agency, Inc., and Huntington Life Insurance Agency, Inc.

CB&T Capital Investment Company, Inc. (West Virginia)

Huntington Capital Corp.

Huntington Bancshares Financial Corporation

The Huntington National Life Insurance Company (Arizona)\*\*

Huntington Bancshares Ohio, Inc.

Huntington Bancshares Florida, Inc.

The Huntington Service Company

The Huntington Community Development Corporation

Security First Technologies Corporation (Delaware) and its direct subsidiary, Security First Technologies, Inc. (Kentucky)\*

Money Station, Inc.\*\*

Heritage Service Corporation

Huntington Capital I (Delaware)

Huntington Capital II (Delaware)

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Superior Financial Corporation (Michigan)

First Michigan Life Insurance Company (Arizona)

The Huntington Capital Investment Company

The Huntington Real Estate Investment Company

\* - Huntington owns less than a 5% voting interest in Security First Technologies Corporation, which owns 100% of Security First Technologies, Inc.; however, Huntington is deemed by the Federal Reserve Board to have a controlling interest in Security First Technologies, Inc.

\*\* - Less than 100% owned.

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CONSENT OF INDEPENDENT AUDITORS

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We consent to the incorporation by reference in Post-Effective Amendment No. 1 to Registration Statement No. 33-44208 dated April 1, 1998, Post-Effective Amendment No. 1 to Registration Statement No. 33-46327 dated April 1, 1998, Registration Statement No. 33-52553 dated March 8, 1994, Registration Statement No. 33-59068 dated March 12, 1993, Registration Statement No. 33-41774 dated July 19, 1991, Post-Effective Amendment No. 2 to Registration Statement No. 33-10546 dated January 28, 1991, Registration Statement No. 33-38784 dated January 28, 1991, Registration Statement No. 33-37373 dated October 18, 1990, and Registration Statement No. 2-89672 dated February 27, 1984, all on Form S-8, and Post-Effective Amendment No. 2 to Registration Statement No. 33-52569 dated September 25, 1998, Registration Statement No. 33-63175 dated October 3, 1995, both on Form S-3, and Registration Statement Nos. 333-53579, 333-53579-01, 333-53579-02, 333-53579-03, 333-53579-04, and 333-53579-05 all on Form S-3 dated May 26, 1998 and amended June 5, 1998 of our report dated January 13, 1999, with respect to the consolidated financial statements of Huntington Bancshares Incorporated included in this Annual Report on Form 10-K for the year ended December 31, 1998, filed with the Securities and Exchange Commission.

s/ ERNST & YOUNG LLP

Columbus, Ohio  
February 19, 1999

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM HUNTINGTON BANCSHARES INCORPORATED'S FORM 10 K, ITEM 8. FOR THE YEAR ENDED DECEMBER 31, 1998, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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