UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

# FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
QUARTERLY PERIOD ENDED MARCH 31, 2003

Commission File Number 0-2525

# HUNTINGTON BANCSHARES INCORPORATED

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

41 SOUTH HIGH STREET, COLUMBUS, OHIO 43287

Registrant's telephone number (614) 480-8300

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 and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No

There were 228,628,958 shares of Registrant's without par value common stock outstanding on April 30, 2003.

HUNTINGTON BANCSHARES INCORPORATED

INDEX


| | | |
|---|---|---|
| PART I. | FINANCIAL INFORMATION | |
| Item 1. | Financial Statements | |
| | Consolidated Balance Sheets - March 31, 2003 and 2002 and December 31, 2002 | 3 |
| | Consolidated Statements of Income - For the three months ended March 31, 2003 and 2002 | 4 |
| | Consolidated Statements of Changes in Shareholders' Equity - For the three months ended March 31, 2003 and 2002 | 5 |
| | Consolidated Statements of Cash Flows - For the three months ended March 31, 2003 and 2002 | 6 |
| | Notes to Unaudited Consolidated Financial Statements | 7 |
| Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 17 |
| Item 3. | Quantitative and Qualitative Disclosures about Market Risk | 44 |
| Item 4. | Controls and Procedures | 44 |
| PART II. | OTHER INFORMATION | |
| Item 6. | Exhibits and Reports on Form 8-K | 44-45 |

Signatures 46

Certifications 47-48

</TABLE>



PART 1. FINANCIAL INFORMATION
FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

| (in thousands) | MARCH 31, 2003 (UNAUDITED) | December 31, 2002 | March 31, 2002 (UNAUDITED) |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| ASSETS | | | |
| Cash and due from banks | $ 865,724 | $ 969,483 | $ 654,312 |
| Interest bearing deposits in banks | 36,117 | 37,300 | 29,537 |
| Trading account securities | 22,715 | 241 | 4,040 |
| Federal funds sold and securities purchased under resale agreements | 46,456 | 49,280 | 60,118 |
| Loans held for sale | 513,638 | 528,379 | 184,353 |
| Securities available for sale - at fair value | 3,680,260 | 3,403,369 | 2,869,826 |
| Investment securities - fair value $7,075, $7,725, and $11,400, respectively | 6,908 | 7,546 | 11,264 |
| Total loans and leases | 18,956,724 | 18,645,189 | 16,291,064 |
| Less allowance for loan and lease losses | 337,017 | 336,648 | 340,851 |
| Net loans and leases | 18,619,707 | 18,308,541 | 15,950,213 |
| Operating lease assets | 1,999,524 | 2,252,445 | 3,010,194 |
| Bank owned life insurance | 895,780 | 886,214 | 852,931 |
| Premises and equipment | 333,142 | 341,366 | 362,135 |
| Goodwill and other intangible assets | 218,363 | 218,567 | 209,942 |
| Customers' acceptance liability | 10,004 | 16,745 | 15,558 |
| Accrued income and other assets | 650,250 | 537,775 | 551,910 |
| TOTAL ASSETS | $27,898,588 | $27,557,251 | $24,766,333 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Total deposits | $17,688,984 | $17,499,326 | $16,266,785 |
| Short-term borrowings | 2,149,128 | 2,541,016 | 1,803,250 |
| Bank acceptances outstanding | 10,004 | 16,745 | 15,558 |
| Medium-term notes | 2,473,006 | 2,045,123 | 1,969,398 |
| Federal Home Loan Bank advances | 1,253,000 | 1,013,000 | 17,000 |
| Subordinated notes and other long-term debt | 633,896 | 788,678 | 921,407 |
| Company obligated mandatorily redeemable preferred | | | |

| | | | |
|---|---|---|---|
| capital securities of subsidiary trusts holding solely junior subordinated debentures of the Parent Company | 300,000 | 300,000 | 300,000 |
| Accrued expenses and other liabilities | 1,134,778 | 1,062,868 | 1,026,756 |
| Total Liabilities | 25,642,796 | 25,266,756 | 22,320,154 |
| Shareholders' equity | | | |
| Preferred stock - authorized 6,617,808 shares; none outstanding | --- | --- | --- |
| Common stock - without par value; authorized 500,000,000 shares; issued 257,866,255 shares; outstanding 228,641,557; 232,878,851, and 249,991,932 shares, respectively | 2,483,258 | 2,484,421 | 2,486,832 |
| Less 29,224,698; 24,987,404 and 7,874,323 treasury shares, respectively | (553,100) | (475,399) | (144,199) |
| Accumulated other comprehensive income | 54,630 | 62,300 | 9,484 |
| Retained earnings | 271,004 | 219,173 | 94,062 |
| Total Shareholders' Equity | 2,255,792 | 2,290,495 | 2,446,179 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $27,898,588 | $27,557,251 | $24,766,333 |

</TABLE>

See notes to unaudited consolidated financial statements.



CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
<TABLE>
<CAPTION>

| | FOR THE THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| (in thousands, except per share amounts) | 2003 | 2002 |
| <S> | <C> | <C> |
| Interest and fee income | | |
| Loans and leases | $282,956 | $283,708 |
| Securities | 42,078 | 44,781 |
| Other | 6,957 | 6,712 |
| TOTAL INTEREST INCOME | 331,991 | 335,201 |
| Interest expense | | |
| Deposits | 80,817 | 109,967 |
| Short-term borrowings | 10,633 | 11,603 |
| Medium-term notes | 14,899 | 16,598 |
| Federal Home Loan Bank advances | 4,408 | 258 |
| Subordinated notes and other long-term debt | 8,605 | 12,344 |
| TOTAL INTEREST EXPENSE | 119,362 | 150,770 |
| NET INTEREST INCOME | 212,629 | 184,431 |
| Provision for loan and lease losses | 36,844 | 39,010 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES | 175,785 | 145,421 |
| Operating lease income | 133,755 | 175,906 |
| Service charges on deposit accounts | 39,592 | 38,530 |
| Brokerage and insurance income | 15,497 | 17,605 |
| Trust services | 14,911 | 15,501 |
| Mortgage banking | 14,890 | 19,565 |
| Bank Owned Life Insurance income | 11,137 | 11,676 |

| | | |
|---|---|---|
| Other service charges and fees | 10,338 | 10,632 |
| Securities gains | 1,198 | 457 |
| Gain on sale of Florida operations | -- | 175,344 |
| Other | 26,237 | 13,884 |
| TOTAL NON-INTEREST INCOME | 267,555 | 479,100 |
| Operating lease expense | 111,588 | 140,785 |
| Personnel costs | 121,743 | 114,285 |
| Net occupancy | 16,815 | 17,239 |
| Outside data processing and other services | 16,579 | 18,439 |
| Equipment | 16,412 | 16,949 |
| Marketing | 6,626 | 7,003 |
| Professional services | 6,331 | 5,401 |
| Telecommunications | 5,701 | 6,018 |
| Printing and supplies | 3,681 | 3,837 |
| Restructuring charges | -- | 56,184 |
| Other | 17,009 | 20,534 |
| TOTAL NON-INTEREST EXPENSE | 322,485 | 406,674 |
| INCOME BEFORE INCOME TAXES | 120,855 | 217,847 |
| Income taxes | 32,023 | 124,706 |
| NET INCOME | $ 88,832 | $ 93,141 |
| PER COMMON SHARE | | |
| Net income | | |
| Basic | $0.38 | $0.37 |
| Diluted | $0.38 | $0.37 |
| Cash dividends declared | $0.16 | $0.16 |
| AVERAGE COMMON SHARES | | |
| Basic | 231,355 | 250,749 |
| Diluted | 232,805 | 251,953 |

</TABLE>

See notes to unaudited consolidated financial statements.



CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

| | COMMON STOCK | | TREASURY STOCK | |
|---|---|---|---|---|
| (in thousands) | SHARES | AMOUNT | SHARES | AMOUNT |
| <S> | <C> | <C> | <C> | <C> |
| Three Months Ended March 31, 2002: | | | | |
| Balance, beginning of period | 257,866 | $2,490,724 | (6,672) | $(123,849) |
| Comprehensive Income: | | | | |
| Net income | | | | |
| Unrealized net holding losses on securities available for sale arising during the period, net of reclassification adjustment for net gains included in net income | | | | |
| Unrealized losses on derivative instruments used in cash flow hedging relationships | | | | |
| Total comprehensive income | | | | |
| Cash dividends declared | | | | |
| Stock options exercised | | (3,892) | 258 | 7,760 |
| Treasury shares purchased | | | (1,460) | (28,110) |
| Balance, end of period (Unaudited) | 257,866 | $2,486,832 | (7,874) | $(144,199) |
| THREE MONTHS ENDED MARCH 31, 2003: | | | | |
| BALANCE, BEGINNING OF PERIOD | 257,866 | $2,484,421 | (24,987) | $(475,399) |
| COMPREHENSIVE INCOME: | | | | |
| NET INCOME | | | | |
| UNREALIZED NET HOLDING LOSSES ON SECURITIES AVAILABLE FOR SALE ARISING DURING THE PERIOD, NET OF RECLASSIFICATION ADJUSTMENT FOR NET GAINS INCLUDED IN NET INCOME | | | | |
| UNREALIZED LOSSES ON DERIVATIVE INSTRUMENTS USED IN CASH FLOW HEDGING RELATIONSHIPS | | | | |

| | | | | |
|---|---|---|---|---|
| TOTAL COMPREHENSIVE INCOME | | | | |
| CASH DIVIDENDS DECLARED | | | | |
| STOCK OPTIONS EXERCISED | | (1,163) | 71 | 1,308 |
| TREASURY SHARES PURCHASED | | | (4,300) | (79,119) |
| OTHER | | | (9) | 110 |
| BALANCE, END OF PERIOD (UNAUDITED) | 257,866 | $2,483,258 | (29,225) | $(553,100) |

<CAPTION>

| (in thousands) | ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) | RETAINED EARNINGS | TOTAL |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| Three Months Ended March 31, 2002: | | | |
| Balance, beginning of period | $25,488 | $ 40,904 | $2,433,267 |
| Comprehensive Income: | | | |
| Net income | | 93,141 | 93,141 |
| Unrealized net holding losses on securities available for sale arising during the period, net of reclassification adjustment for net gains included in net income | (14,800) | | (14,800) |
| Unrealized losses on derivative instruments used in cash flow hedging relationships | (1,204) | | (1,204) |
| Total comprehensive income | | | 77,137 |
| Cash dividends declared | | (39,983) | (39,983) |
| Stock options exercised | | | 3,868 |
| Treasury shares purchased | | | (28,110) |
| Balance, end of period (Unaudited) | $ 9,484 | $ 94,062 | $2,446,179 |
| THREE MONTHS ENDED MARCH 31, 2003: | | | |
| BALANCE, BEGINNING OF PERIOD | $62,300 | $219,173 | $2,290,495 |
| COMPREHENSIVE INCOME: | | | |
| NET INCOME | | 88,832 | 88,832 |
| UNREALIZED NET HOLDING LOSSES ON SECURITIES AVAILABLE FOR SALE ARISING DURING THE PERIOD, NET OF RECLASSIFICATION ADJUSTMENT FOR NET GAINS INCLUDED IN NET INCOME | (5,798) | | (5,798) |
| UNREALIZED LOSSES ON DERIVATIVE INSTRUMENTS USED IN CASH FLOW HEDGING RELATIONSHIPS | (1,872) | | (1,872) |
| TOTAL COMPREHENSIVE INCOME | | | 81,162 |
| CASH DIVIDENDS DECLARED | | (37,001) | (37,001) |
| STOCK OPTIONS EXERCISED | | | 145 |
| TREASURY SHARES PURCHASED | | | (79,119) |
| OTHER | | | 110 |
| BALANCE, END OF PERIOD (UNAUDITED) | $54,630 | $271,004 | $2,255,792 |

</TABLE>

See notes to unaudited consolidated financial statements.



CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| (in thousands of dollars) | 2003 | 2002 |
| | (Unaudited) | (Unaudited) |
| <S> | <C> | <C> |
| OPERATING ACTIVITIES | | |
| Net Income | $ 88,832 | $ 93,141 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Provision for loan and lease losses | 36,844 | 39,010 |
| Depreciation on operating lease assets | 98,101 | 123,984 |
| Other depreciation and amortization | 21,671 | 17,613 |
| Deferred income tax expense | 25,477 | 8,521 |
| (Increase) decrease in trading account securities | (22,474) | 9,352 |
| Decrease in mortgages held for sale | 14,741 | 445,033 |
| Gains on sales of securities available for sale | (1,192) | (457) |

| | | |
|---|---|---|
| Gains on sales/securitizations of loans | (10,814) | (1,395) |
| Gain on sale of Florida banking and insurance operations | --- | (175,344) |
| Restructuring charges | --- | 56,184 |
| Other, net | (102,777) | 17,237 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 148,409 | 632,879 |
| INVESTING ACTIVITIES | | |
| Decrease (increase) in interest bearing deposits in banks | 1,183 | (8,332) |
| Proceeds from: | | |
| Maturities and calls of investment securities | 640 | 1,056 |
| Maturities and calls of securities available for sale | 608,826 | 238,433 |
| Sales of securities available for sale | 218,001 | 226,295 |
| Purchases of securities available for sale | (995,909) | (497,921) |
| Proceeds from sales/securitizations of loans | 680,564 | 110,128 |
| Net loan and lease originations, excluding sales | (1,145,302) | (664,341) |
| Net decrease (increase) in operating lease assets | 154,820 | (61,746) |
| Proceeds from sale of premises and equipment | 3,669 | 13,251 |
| Purchases of premises and equipment | (10,198) | (21,123) |
| Proceeds from sales of other real estate | 1,924 | 2,412 |
| Net cash paid related to sale of Florida banking and insurance operations | --- | (1,289,917) |
| NET CASH USED FOR INVESTING ACTIVITIES | (481,782) | (1,951,805) |
| FINANCING ACTIVITIES | | |
| Increase in total deposits | 205,694 | 853,834 |
| Decrease in short-term borrowings | (391,888) | (152,676) |
| Proceeds from issuance of medium-term notes | 635,000 | 675,000 |
| Payment of medium-term notes | (205,000) | (500,000) |
| Proceeds from Federal Home Loan Bank advances | 250,000 | --- |
| Maturity of Federal Home Loan Bank advances | (10,000) | --- |
| Maturity of long-term debt | (150,000) | --- |
| Dividends paid on common stock | (28,042) | (40,201) |
| Repurchases of common stock | (79,119) | (28,110) |
| Net proceeds from issuance of common stock | 145 | 3,868 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 226,790 | 811,715 |
| CHANGE IN CASH AND CASH EQUIVALENTS | (106,583) | (507,211) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 1,018,763 | 1,221,641 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | $ 912,180 | $ 714,430 |
| Supplemental disclosures: | | |
| Income taxes paid | $ 42,865 | $ 60 |
| Interest paid | 122,174 | 163,719 |
| Non-cash activities | | |
| Mortgage loans securitized | 108,917 | --- |
| Common stock dividends accrued not paid | 37,001 | 39,983 |

</TABLE>

See notes to unaudited consolidated financial statements.



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Huntington Bancshares Incorporated (Huntington) reflect all adjustments consisting of normal recurring accruals, which are, in the opinion of management, necessary for a fair presentation of the consolidated financial position, the results of operations, and cash flows for the periods presented. These unaudited consolidated financial statements have been prepared according to the rules and regulations of the Securities and Exchange Commission and, therefore, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) have been omitted. The Notes to the Consolidated Financial Statements appearing in Huntington's amended 2002 Annual Report on Form 10-K/A (2002 Annual Report), which include descriptions of significant accounting policies, should be read in conjunction with these interim financial statements.

Certain amounts in the prior year's financial statements have been reclassified to conform to the 2003 presentation.

NOTE 2 - NEW ACCOUNTING PRONOUNCEMENTS

In November 2002, the Financial Accounting Standards Board (FASB) issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. This Interpretation changes current practice in the accounting for, and disclosure

of, guarantees, which for Huntington apply generally to its standby letters of credit. The Interpretation requires certain guarantees to be recorded at fair value, which differs from the prior practice of recording a liability generally when a loss is probable and reasonably estimable, as those terms are defined in FASB Statement No. 5, Accounting for Contingencies. The Interpretation also requires a guarantor to make significant new disclosures, even when the likelihood of making any payments under the guarantee is remote, which also differs from current practice. The recognition requirements of this Interpretation were adopted prospectively January 1, 2003. The impact of adopting FIN 45 was not material.

In December 2002, the FASB issued Statement No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure. This Statement amends Statement No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition to Statement No. 123's fair value method of accounting for stock-based employee compensation. Statement No. 148 also amends the disclosure provisions of Statement 123 and Accounting Principles Board (APB) Opinion No. 28, Interim Financial Reporting, to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. While Statement No. 148 does not amend Statement No. 123 to require companies to account for employee stock options using the fair value method, the disclosure provisions of Statement No. 148 are applicable to all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair value method of Statement No. 123 or the intrinsic value method of APB Opinion No. 25, which is the method currently used by Huntington.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities. This Interpretation of Accounting Research Bulletin No. 51 (ARB 51), Consolidated Financial Statements, addresses consolidation by business enterprises where ownership interests in an entity may vary over time or, in many cases, of special-purpose entities (SPEs). To be consolidated for financial reporting, these entities must have certain characteristics. ARB 51 requires that an enterprise's consolidated financial statements include subsidiaries in which the enterprise has a controlling financial interest. This Interpretation requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. An enterprise that holds significant variable interests in such an entity, but is not the primary beneficiary, is required to disclose certain information regarding its interests in that entity. This Interpretation applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds an interest that it acquired before February 1, 2003. It also applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. This Interpretation may be applied (1) prospectively with a cumulative-effect adjustment as of the date on which it is first applied, or (2) by restating previously issued financial statements for one or more years with a cumulative-effect adjustment as of the beginning of the first year restated.

Huntington is reviewing the implications of Interpretation No. 46 and is considering the adoption methods permitted. Management believes that the most significant impact of adoption will be the consolidation of one of the securitization trusts formed in 2000. The consolidation of that securitization trust will involve the recognition of the trust's net assets, which, at March 31, 2003, included $1,014 million of indirect automobile loans, $110 million of cash, and



$1,000 million of secured debt obligations with an interest rate based on commercial paper rates. Adoption will also eliminate the retained interest in the securitization trust and its servicing asset related to the loans in the trust, with carrying values at March 31, 2003 of $154 million and $12 million, respectively. The impact to Huntington's equity and results of operations will depend on the method of transition adopted under this new interpretation. Huntington will adopt this new standard no later than the end of the third quarter of 2003.

In April 2003, the FASB issued Statement No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. This Statement amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under Statement No. 133, Accounting for Derivative Instruments and Hedging Activities. The changes in this Statement improve financial reporting by requiring that contracts with comparable characteristics be accounted for similarly. In particular, this Statement (1) clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative discussed in paragraph 6(b) of Statement No. 133, (2) clarifies when a derivative contains a financing component, (3) amends the definition of an "underlying" to conform it to language used in Interpretation No. 45, and (4) amends certain other existing pronouncements. Those changes will result in more

consistent reporting of contracts as either derivatives or hybrid instruments. This Statement is substantially effective on a prospective basis for contracts entered into or modified after June 30, 2003.

NOTE 3 - RESTATEMENT OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 20, 2003, Huntington filed an amended 2002 Annual Report on Form 10-K/A that reflected the restatement of its prior period financial results for a reclassification of $2.3 billion of automobile leases at December 31, 2002 from the direct financing lease method to the operating lease method of accounting. The remaining $0.9 billion of automobile leases, as well as all future originations, are accounted for using the direct financing lease methodology. The financial statements, comments, and discussion contained in this report and as described below, reflect the impact of this reclassification and restatement.

The appropriate classification of automobile leases as operating leases or direct financing leases under Statement of Financial Accounting Standards No. 13, Accounting for Leases, can be impacted by residual value insurance coverage. Since October 2000, Huntington has had residual value insurance coverage on its entire automobile lease portfolio to protect the company from the risk of loss resulting from declines in used car prices. Such losses arise if the market value of the automobile at the end of the lease term is less than the residual value embedded in the original lease contract. Management believes these policies effectively protect the company from the risk of declining used car prices. In April 2003, management determined that, due to provisions in certain of its residual value insurance policies, the leases covered by these policies would not qualify as direct financing leases.

For leases originated prior to May 2002, the residual value insurance policies contain aggregate loss caps. The residuals insured under these policies are not considered guaranteed, and, accordingly, the related leases fail to qualify as direct financing leases under Statement No. 13. As a result, leases originated prior to May 2002 have been reclassified as operating leases for all periods presented. As of December 31, 2002, $2.3 billion of such leases, net of accumulated depreciation, are reflected in the Consolidated Balance Sheets as Operating lease assets. All leases originated since April 2002 are covered under a new residual value insurance policy (the "New Policy") which insures the full residual value of each vehicle and includes no aggregate loss cap. Leases with residual gains are netted with leases with residual losses when claims are settled. The netting provision of the New Policy precluded Huntington from determining the amount of the guaranteed residual of any individual leased asset within the portfolio at lease inception. Thus, the related leases failed to qualify as direct financing leases. Huntington has amended the New Policy, retroactive to April 2002, by adding an endorsement that adds a level of insurance sufficient to meet the criteria as a residual value guarantee pursuant to Statement No. 13, on an individual lease-by-lease basis, with no netting provisions. In addition, Huntington continues to maintain insurance coverage that insures the full value of the leased residuals. Accordingly, and in reliance on guidance furnished by the Securities and Exchange Commission in its announcement at the Financial Accounting Standards Board Emerging Issues Task Force meeting on May 15, 2003, all leases covered under the New Policy, as amended, are now appropriately classified as direct financing leases in the accompanying financial statements. As of March 31, 2003, $1.2 billion of such leases were included in loans and leases in the Consolidated Balance Sheets. It is management's intention to insure the residuals associated with future originations under the New Policy, as amended, and to classify such new originations as direct financing leases.

The impact of this restatement also affected the Consolidated Income Statements. Under the direct financing lease accounting method, interest income is recognized on leases on a "level-yield" or interest method that ascribes a portion of each lease payment to interest income, resulting in a constant rate of interest over the life of the lease. The remaining



portion of each payment amortizes the net investment in the lease such that at the end of the lease term, the net investment equals the residual value as determined at the inception of the lease. Under operating lease accounting, lease payments are recorded as rental income, a component of Operating lease income in the Non-interest income section of the Consolidated Income Statements. Depreciation expense is recorded on a straight-line basis over the term of the lease from the cost of the automobile at the inception of the lease to the estimated residual value at the end of the lease term. Depreciation expense is included in Operating lease expense in the Non-interest expense section of the Consolidated Income Statement. Depreciation expense is adjusted prospectively at any time during the lease term when the estimated market value of the automobile at the end of the lease term changes. Upon disposition, a gain, reflected in Non-interest income, or a loss, reflected in Non-interest expense, is recorded for any difference between the net book value of the lease and the proceeds from the disposition of the automobile.

Over the term of the lease, the cash flows, the timing of the cash flows,

and total income recognized are identical under either accounting method. One significant difference between the two methodologies is the timing of income recognition. Under operating lease accounting, less income is recognized in the first half of the lease and more income is recognized in the second half than under direct financing lease accounting.

Another significant difference between the direct financing lease method and the operating lease method of accounting is the recognition of credit loss expense. Credit losses occur when a lease is terminated early because the lessee fails to make the required lease payments. These credit-generated terminations result in Huntington taking possession of the automobile earlier than expected. When this occurs, the market value of the automobile may be less than Huntington's book value, resulting in a loss upon sale or write down to market value while the vehicle is pending sale. Under the direct financing lease accounting method, such losses are charged against an allowance for loan and lease losses that is established at the inception of the lease and is adjusted periodically as necessary through provision expense. Under operating lease accounting, the lease is not treated like a loan, but as a depreciable non-interest earning asset. Therefore, no allowance for loan and lease losses is established. As such, early termination losses are recognized as a component of Operating lease expense in the Non-interest expense section of the Consolidated Income Statements.

The fact that part of the auto lease portfolio is accounted for as operating leases, with the remainder, including all future production, being accounted for as direct financing leases, will impact the comparability of Huntington's financial statements between reporting periods. As leases originated before May 2002 and accounted for as operating leases run off, and as new originations are accounted for as direct financing leases, the level of operating lease income and operating lease expense will decline over future reporting periods while the level of interest income associated with direct financing leases will increase. Additionally, management will increase the provision for loan and lease losses, as appropriate, to provide the necessary level of reserves for new direct financing lease originations. Balance sheet classifications will also be impacted as the run off of the operating leases originated before the New Policy, as amended, reduces non-interest earning assets while the new direct financing lease originations covered under the New Policy, as amended, increase loans and leases.

The change to operating lease accounting did not impact 2003 first quarter earnings per share. The change impacted negatively the 2002 first quarter earnings by $0.02 per share. The cumulative effect of the restatement on total equity as of December 31, 2002, was a reduction of $13.3 million. The following table reflects the previously reported amounts and the restated results by financial statement line in Huntington's balance sheets at December 31, 2002 and March 31, 2002, and income statement for the three months ended March 31, 2002:



<TABLE>
<CAPTION>

| | DECEMBER 31, 2002 | | MARCH 31, 2002 | |
|---|---|---|---|---|
| (in thousands of dollars) | PREVIOUSLY REPORTED | RESTATED | PREVIOUSLY REPORTED | RESTATED |
| <S> | <C> | <C> | <C> | <C> |
| BALANCE SHEET: | | | | |
| Total loans and leases | $20,955,925 | $18,645,189 | $19,338,947 | $16,291,064 |
| Allowance for loan and lease losses | 368,395 | 336,648 | 386,053 | 340,851 |
| Net loans and leases | 20,587,530 | 18,308,541 | 18,952,894 | 15,950,213 |
| Operating lease assets | --- | 2,252,445 | --- | 3,010,194 |
| Accrued income and other assets | 532,690 | 537,775 | 539,044 | 551,910 |
| Total Assets | 27,578,710 | 27,557,251 | 24,745,954 | 24,766,333 |
| Accrued expenses and other liabilities | 1,070,991 | 1,062,868 | 1,018,618 | 1,026,756 |
| Total liabilities | 25,274,879 | 25,266,756 | 22,312,016 | 22,320,154 |
| Retained earnings | 232,509 | 219,172 | 81,821 | 94,062 |
| Total shareholders' equity | 2,303,831 | 2,290,495 | 2,433,938 | 2,446,179 |
| Total Liabilities and Shareholders' Equity | $27,578,710 | $27,557,251 | $24,745,954 | $24,766,333 |

</TABLE>

<TABLE>
<CAPTION>

| THREE MONTHS ENDED MARCH 31, 2002<br>(in thousands of dollars) | PREVIOUSLY REPORTED | RESTATED |
|---|---|---|
| <S> | <C> | <C> |
| INCOME STATEMENT: | | |
| Interest and fee income | $393,595 | $335,201 |
| Net interest income | 242,825 | 184,431 |
| Provision for loan and lease losses | 55,781 | 39,010 |
| Net interest income after provision for loan and lease losses | 187,044 | 145,421 |

| | | |
|---|---|---|
| Operating lease income | --- | 175,906 |
| Other non-interest income | 12,118 | 13,884 |
| Total non-interest income | 301,428 | 479,100 |
| Operating lease expense | --- | 140,785 |
| Other non-interest expense | 18,215 | 20,534 |
| Total non-interest expense | 263,570 | 406,674 |
| Income before income taxes | 224,902 | 217,847 |
| Income taxes | 127,175 | 124,706 |
| Net income | $ 97,727 | $ 93,141 |
| Earnings per share: | | |
| Basic | $ 0.39 | $ 0.37 |
| Diluted | $ 0.39 | $ 0.37 |
| OTHER INFORMATION - | | |
| Net charge-offs | $ 55,781 | $ 42,972 |

</TABLE>



NOTE 4 - SECURITIES AVAILABLE FOR SALE

Securities available for sale at March 31, 2003 and December 31, 2002 were as follows:

<TABLE>
<CAPTION>

| | MARCH 31, 2003 | | DECEMBER 31, 2002 | |
|---|---|---|---|---|
| (in thousands of dollars) | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| <S> | <C> | <C> | <C> | <C> |
| U.S. Treasury | | | | |
| Under 1 year | $ 325 | $ 333 | $ --- | $ --- |
| 1-5 years | 12,584 | 13,150 | 13,434 | 14,066 |
| 6-10 years | 44,304 | 45,494 | 4,704 | 5,367 |
| Over 10 years | 412 | 477 | 412 | 479 |
| Total | 57,625 | 59,454 | 18,550 | 19,912 |
| Federal agencies | | | | |
| Mortgage-backed securities | | | | |
| 1-5 years | 18,005 | 18,560 | 34,196 | 35,166 |
| 6-10 years | 312,462 | 319,484 | 264,219 | 270,779 |
| Over 10 years | 910,621 | 926,760 | 873,552 | 901,417 |
| Total | 1,241,088 | 1,264,804 | 1,171,967 | 1,207,362 |
| Other agencies | | | | |
| Under 1 year | 102,118 | 105,140 | 34,923 | 35,966 |
| 1-5 years | 438,875 | 460,112 | 758,032 | 783,533 |
| 6-10 years | 62,530 | 63,630 | 95,617 | 97,095 |
| Over 10 years | 804,591 | 812,903 | 477,185 | 483,816 |
| Total | 1,408,114 | 1,441,785 | 1,365,757 | 1,400,410 |
| Total U.S. Treasury and Federal Agencies | 2,706,827 | 2,766,043 | 2,556,274 | 2,627,684 |
| Other | | | | |
| Under 1 year | 6,668 | 6,706 | 7,133 | 7,183 |
| 1-5 years | 61,932 | 62,745 | 62,939 | 63,886 |
| 6-10 years | 58,471 | 59,922 | 49,581 | 51,046 |
| Over 10 years | 574,979 | 575,789 | 451,108 | 449,958 |
| Retained interest in securitizations | 147,821 | 163,310 | 146,160 | 159,978 |
| Marketable equity securities | 44,679 | 45,745 | 42,846 | 43,634 |
| Total | 894,550 | 914,217 | 759,767 | 775,685 |
| TOTAL SECURITIES AVAILABLE FOR SALE | $3,601,377 | $3,680,260 | $3,316,041 | $3,403,369 |

</TABLE>

NOTE 5 - OPERATING LEASE ASSETS

Operating lease assets at March 31, 2003 and 2002 and December 31, 2002, were as follows:

<TABLE>
<CAPTION>

| (in thousands of dollars) | MARCH 31, 2003 | DECEMBER 31, 2002 | MARCH 31, 2002 |
|---|---|---|---|

| <S> | <C> | <C> | <C> |
|---|---|---|---|
| Cost of automobiles under operating leases | $ 3,007,188 | $ 3,260,897 | $ 3,967,280 |
| Accumulated depreciation | (1,007,664) | (1,008,452) | (957,086) |
| OPERATING LEASE ASSETS, NET | $ 1,999,524 | $ 2,252,445 | $ 3,010,194 |

</TABLE>

Depreciation expense related to leased automobiles was $98.1 million and $124.0 million for the three months ended March 31, 2003 and 2002, respectively.



NOTE 6 - COMPREHENSIVE INCOME

The components of Huntington's Other Comprehensive Income are the unrealized gains (losses) on securities available for sale, unrealized gains (losses) on derivative instruments used in cash flow hedging relationships, and minimum pension liability. The related before and after tax amounts in each of the three months ended March 31 were as follows:

<TABLE>
<CAPTION>

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| (in thousands of dollars) | 2003 | 2002 |
| <S> | <C> | <C> |
| Minimum pension liability: | | |
| Unrealized net loss | $ --- | $ --- |
| Related tax benefit | --- | --- |
| Net | --- | --- |
| Unrealized holding losses on securities available for sale arising during the period: | | |
| Unrealized net losses | (7,722) | (22,312) |
| Related tax benefit | 2,703 | 7,809 |
| Net | (5,019) | (14,503) |
| Unrealized holding losses on derivatives used in cash flow hedging relationships arising during the period: | | |
| Unrealized net losses | (2,880) | (1,852) |
| Related tax benefit | 1,008 | 648 |
| Net | (1,872) | (1,204) |
| Less: Reclassification adjustment for net gains from sales of securities available for sale realized during the period: | | |
| Realized net gains | 1,198 | 457 |
| Related tax expense | (419) | (160) |
| Net | 779 | 297 |
| TOTAL OTHER COMPREHENSIVE INCOME | $(7,670) | $(16,004) |

</TABLE>

Activity in Accumulated Other Comprehensive Income for the three months ended March 31, 2003 and 2002 was as follows:

<TABLE>
<CAPTION>

| (in thousands of dollars) | MINIMUM PENSION LIABILITY | UNREALIZED GAINS (LOSSES) ON SECURITIES AVAILABLE FOR SALE | UNREALIZED GAINS (LOSSES) ON DERIVATIVE INSTRUMENTS USED IN CASH FLOW HEDGING RELATIONSHIPS | TOTAL |
|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> |
| Balance, December 31, 2001 | $ --- | $ 29,469 | $(3,981) | $ 25,488 |
| Period change | --- | (14,800) | (1,204) | (16,004) |
| Balance, March 31, 2002 | $ --- | $ 14,669 | $(5,185) | $ 9,484 |
| Balance, December 31, 2002 | $(195) | $ 56,856 | $ 5,639 | $ 62,300 |
| Current-period change | --- | (5,798) | (1,872) | (7,670) |
| Balance, March 31, 2003 | $(195) | $ 51,058 | $ 3,767 | $ 54,630 |

==========================================================================================================
</TABLE>



NOTE 7 - EARNINGS PER SHARE

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

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| (in thousands, except per share amounts) | 2003 | 2002 |
| NET INCOME | $ 88,832 | $ 93,141 |
| Average common shares outstanding | 231,355 | 250,749 |
| Dilutive effect of common stock equivalents | 1,450 | 1,204 |
| DILUTED AVERAGE COMMON SHARES OUTSTANDING | 232,805 | 251,953 |
| EARNINGS PER SHARE | | |
| Basic | $ 0.38 | $ 0.37 |
| Diluted | $ 0.38 | $ 0.37 |

The average market price of Huntington's common stock for the period was used in determining the dilutive effect of outstanding stock options. Common stock equivalents are computed based on the number of shares subject to stock options that have an exercise price less than the average market price of Huntington's common stock for the period.

Approximately 7.6 million and 5.6 million stock options were outstanding at March 31, 2003 and 2002, respectively, but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares for the period and, therefore, the effect would be antidilutive. The weighted average exercise price for these options was $22.21 per share and $23.34 per share at the end of the same respective periods.

At March 31, 2003, a total of 530,826 common shares associated with a 2002 acquisition were held in escrow, subject to future issuance contingent upon meeting certain contractual performance criteria. These shares, which were included in treasury stock, will be included in the computation of basic and diluted earnings per share at the beginning of the period when all conditions necessary for their issuance have been met.

NOTE 8 - STOCK-BASED COMPENSATION

Huntington's stock-based compensation plans are accounted for based on the intrinsic value method promulgated by APB Opinion 25, Accounting for Stock Issued to Employees, and related interpretations. Compensation expense for employee stock options is generally not recognized if the exercise price of the option equals or exceeds the fair value of the stock on the date of grant.

In December 2002, the FASB issued Statement No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure. This Statement amends Statement No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition to Statement No. 123's fair value method of accounting for stock-based employee compensation. Statement No. 148 also amends the disclosure provisions of Statement 123 and APB Opinion No. 28, Interim Financial Reporting, to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. While Statement No. 148 does not amend Statement No. 123 to require companies to account for employee stock options using the fair value method, the disclosure provisions of Statement No. 148 are applicable to all companies with stock-based employee compensation, regardless of whether they account for that compensation using the fair value method of Statement No. 123 or the intrinsic value method of APB Opinion No. 25.

Huntington will adopt the fair value method of recording stock options under the transitional guidance of Statement No. 148. Huntington is currently evaluating which of the three methods under the transitional guidance it will

adopt in 2003.



The following pro forma disclosures for net income and earnings per diluted common share is presented as if Huntington had applied the fair value method of accounting of Statement No. 123 in measuring compensation costs for stock options. The fair values of the stock options granted were estimated using the Black-Scholes option-pricing model. This model assumes that the estimated fair value of the options is amortized over the options' vesting periods and the compensation costs would be included in personnel expense on the income statement. The following table also includes the weighted-average assumptions that were used in the option-pricing model for options granted in each of the quarters presented:

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| | 2003 | 2002 |
| STOCK OPTIONS OUTSTANDING AT PERIOD END (IN THOUSANDS) | 17,637 | 13,928 |
| ASSUMPTIONS | | |
| Risk-free interest rate | 4.15% | 4.13% |
| Expected dividend yield | 3.34% | 3.34% |
| Expected volatility of Huntington's common stock | 33.8% | 33.8% |
| PRO FORMA RESULTS (IN MILLIONS OF DOLLARS) | | |
| Net income, as reported | $ 88.8 | $ 93.1 |
| Less pro forma expense, net of tax, related to options granted | 3.0 | 3.7 |
| PRO FORMA NET INCOME | $ 85.8 | $ 89.4 |
| NET INCOME PER COMMON SHARE: | | |
| Basic, as reported | $ 0.38 | $ 0.37 |
| Basic, pro forma | 0.37 | 0.36 |
| Diluted, as reported | 0.38 | 0.37 |
| Diluted, pro forma | 0.37 | 0.35 |

NOTE 9 - 2002 RESTRUCTURING CHARGES

During the first quarter of 2002, Huntington recorded pre-tax restructuring charges of $56.2 million related to the implementation of strategic initiatives announced July 2001. These charges included expenses of $32.7 million related to the sale of the Florida operations, $8.0 million for asset impairment, $4.3 million for the exit of certain e-commerce activities, $1.8 million related to facilities, and $9.4 million for other costs. These charges amounted to $36.5 million, or $0.14 per share, on an after-tax basis and are reflected in Non-interest expense in the accompanying unaudited consolidated financial statements.

Huntington has a remaining reserve for restructuring of $10.6 million at March 31, 2003. Huntington expects that this remaining reserve will be adequate to fund the remaining estimated future cash outlays that are expected in the completion of the exit activities contemplated by Huntington's 2001 strategic refocusing plan.



NOTE 10 - 2002 SALE OF FLORIDA BANKING AND INSURANCE OPERATIONS

On February 15, 2002, Huntington completed the sale of its Florida operations to SunTrust Banks, Inc. Included in the sale were $4.8 billion of deposits and other liabilities and $2.8 billion of loans and other assets. Huntington received a deposit premium of 15%, or $711.9 million. The total net pre-tax gain from the sale was $175.3 million and is reflected in Non-interest income. The after-tax gain was $56.7 million, or $0.23 per share. Income taxes related to this transaction were $118.6 million, an amount higher than the tax impact at the statutory rate of 35% because most of the goodwill relating to the Florida operations was non-deductible for tax purposes.

On July 2, 2002, Huntington also completed the sale of its Florida insurance operations, The J. Rolfe Davis Insurance Agency, Inc., to members of its management. The sale had no material gain or impact to net income, though it affected selected Non-interest income and Non-interest expense categories.

NOTE 11 - SEGMENT REPORTING

Huntington has three distinct lines of business: Regional Banking, Dealer Sales, and the Private Financial Group (PFG). A fourth segment includes Huntington's Treasury function and other unallocated assets, liabilities, revenue, and expense. Line of business results are determined based upon Huntington's management 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 below are not necessarily comparable with similar information published by other financial institutions.

Accounting policies for the lines of business are the same as those used in the preparation of the unaudited consolidated financial statements with respect to activities specifically attributable to each business line. However, the preparation of business line results requires management to establish methodologies to allocate funding costs and benefits, expenses, and other financial elements to each line of business. Changes are made in these methodologies utilized for certain balance sheet and income statement allocations performed by Huntington's management reporting system, as appropriate. Prior periods are typically not restated for these changes.

The chief decision-makers for Huntington rely on "operating earnings" for review of performance and for critical decision-making purposes. Operating earnings exclude the 2002 gain from the sale of the Florida operations, the historical Florida banking and insurance operating results, and the 2002 restructuring charges. See Note 9 to the unaudited consolidated financial statements for further discussions regarding the 2002 restructuring charges and Note 10 regarding the 2002 sale of the Florida banking and insurance operations. The financial information that follows is inclusive of the above adjustments in 2002 on an after-tax basis to reflect the reconciliation to reported net income.

The following provides a brief description of the four operating segments of Huntington:

REGIONAL BANKING: This segment provides products and services to retail, business banking, and commercial customers. This segment's products include home equity loans, first mortgage loans, direct installment loans, business loans, personal and business deposit products, as well as sales of investment and insurance services. These products and services are offered in six operating regions within the five states of Ohio, Michigan, Indiana, West Virginia, and Kentucky through Huntington's traditional banking network, Direct Bank--Huntington's customer service center, and Web Bank at www.huntington.com. Regional Banking also represents middle-market and large commercial banking relationships which use a variety of banking products and services including, but not limited to, commercial loans, international trade, and cash management.

DEALER SALES: This segment finances the purchase of automobiles by customers of the automotive dealerships, purchases automobiles from dealers and simultaneously leases the automobile under long-term operating and direct financing leases, finances the dealership's inventory of automobiles, and provides other banking services to the automotive dealerships and their owners.

PRIVATE FINANCIAL GROUP: This segment provides products and services designed to meet the needs of Huntington's higher wealth customers. Revenue is derived through the sale of personal trust, asset management, investment advisory, brokerage, insurance, and deposit and loan products and services. Income and related expenses from the sale of brokerage and insurance products is shared with the line of business that generated the sale or provided the customer referral.

TREASURY / OTHER: This segment includes assets, liabilities, equity, revenue, and expense that are not directly assigned or allocated to one of the lines of business. Since a match-funded transfer pricing system is used to allocate interest income and interest expense to other business segments, Treasury / Other results include the net impact of any over or under



allocations arising from centralized management of interest rate risk including the net impact of derivatives used to hedge interest rate sensitivity. Furthermore, this segment's results include the net impact of administering Huntington's investment securities portfolio as part of overall liquidity management. Additionally, amortization expense of intangible assets, the 2002 gain on sale of the Florida operations, the 2002 restructuring charges, and other gains or losses not allocated to other business segments are also a component.

Listed below is certain reported financial information reconciled to Huntington's first quarter 2003 and 2002 operating results by line of business.

<TABLE>
<CAPTION>

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

| INCOME STATEMENTS | Regional | Dealer | Treasury/ |
| --- | --- | --- | --- |

| (in thousands of dollars) | Banking | Sales | PFG | Other | Huntington Consolidated |
|---|---|---|---|---|---|
| 2003 | | | | | |
| Net interest income | $148,542 | $ 23,067 | $ 9,516 | $ 31,504 | $212,629 |
| Provision for loan and lease losses | 23,542 | 11,389 | 1,913 | --- | 36,844 |
| Non-Interest income | 75,361 | 149,655 | 27,210 | 15,329 | 267,555 |
| Non-Interest expense | 144,989 | 135,279 | 26,616 | 15,601 | 322,485 |
| Income taxes | 19,381 | 9,119 | 2,869 | 654 | 32,023 |
| Operating earnings/Net income, as reported | $ 35,991 | $ 16,935 | $ 5,328 | $ 30,578 | $ 88,832 |
| 2002 | | | | | |
| Net interest income | $159,113 | $ (5,340) | $ 7,818 | $ 22,840 | $184,431 |
| Provision for loan and lease losses | 27,813 | 9,610 | 1,587 | --- | 39,010 |
| Non-Interest income | 79,150 | 180,218 | 31,112 | 188,620 | 479,100 |
| Non-Interest expense | 149,863 | 161,236 | 25,010 | 70,565 | 406,674 |
| Income taxes | 21,297 | 1,411 | 4,316 | 97,682 | 124,706 |
| Net income, as reported | 39,290 | 2,621 | 8,017 | 43,213 | 93,141 |
| Florida operating results, net of tax | 762 | 794 | 320 | (3,933) | (2,057) |
| Gain on sale of Florida operations, net of tax | --- | --- | --- | 56,790 | 56,790 |
| Restructuring charges, net of tax | --- | --- | --- | 36,519 | 36,519 |
| Operating earnings | $ 38,528 | $ 1,827 | $ 7,697 | $ 26,875 | $ 74,927 |

| PERIOD-END BALANCE SHEET DATA (in millions of dollars) | TOTAL ASSETS AT MARCH 31, 2003 | 2002 | TOTAL DEPOSITS AT MARCH 31, 2003 | 2002 |
|---|---|---|---|---|
| Regional Banking | $14,268 | $12,987 | $15,403 | $15,036 |
| Dealer Sales | 6,948 | 6,553 | 67 | 51 |
| PFG | 1,267 | 964 | 959 | 727 |
| Treasury / Other | 5,416 | 4,262 | 1,260 | 453 |
| Total | $27,899 | $24,766 | $17,689 | $16,267 |



## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

### INTRODUCTION

Huntington Bancshares Incorporated (Huntington) is a multi-state diversified financial services company organized under Maryland law in 1966 and headquartered in Columbus, Ohio. Through its subsidiaries, Huntington is engaged in providing full-service commercial and consumer banking services, mortgage banking services, automobile financing, equipment leasing, investment management, trust services, and discount brokerage services, as well as underwriting credit life and disability insurance, and selling other insurance and financial products and services. Huntington's banking offices are located in

Ohio, Michigan, Indiana, Kentucky, and West Virginia. Selected financial services are also conducted in other states including Arizona, Florida, Georgia, Maryland, New Jersey, Pennsylvania, and Tennessee. Huntington also has a foreign office in the Cayman Islands and a foreign office in Hong Kong. The Huntington National Bank (the Bank) is Huntington's only bank subsidiary.

The following discussion and analysis provides investors and others with information that management believes to be necessary for an understanding of Huntington's financial condition, changes in financial condition, results of operations, and cash flows, and should be read in conjunction with the financial statements, notes and other information contained in this document.

## FORWARD-LOOKING STATEMENTS

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

By their nature, forward-looking statements are subject to numerous assumptions, risks, and uncertainties. A number of factors could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements. These factors include, but are not limited to, those set forth under the heading "Business Risks" included in Item 1 of Huntington's amended 2002 Annual Report on Form 10-K/A (2002 Annual Report) and other factors described from time to time in other filings with the Securities and Exchange Commission.

Management encourages readers of this interim report to understand forward-looking statements to be strategic objectives rather than absolute forecasts of future performance. Forward-looking statements speak only as of the date they are made. Huntington does not update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements were made or to reflect the occurrence of unanticipated events.

## RESTATEMENT OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 20, 2003, Huntington filed an amended 2002 Annual Report on Form 10-K/A that reflected the restatement of its prior period financial results for a reclassification of $2.3 billion of automobile leases at December 31, 2002 from the direct financing lease method to the operating lease method of accounting. The remaining $0.9 billion of automobile leases, as well as all future originations, are accounted for using the direct financing lease methodology. The financial statements, comments, and discussion contained in this report and as described below, reflect the impact of this reclassification and restatement.

The appropriate classification of automobile leases as operating leases or direct financing leases under Statement of Financial Accounting Standards No. 13, Accounting for Leases, can be impacted by residual value insurance coverage. Since October 2000, Huntington has had residual value insurance coverage on its entire automobile lease portfolio to protect the company from the risk of loss resulting from declines in used car prices. Such losses arise if the market value of the automobile at the end of the lease term is less than the residual value embedded in the original lease contract. Management believes these policies effectively protect the company from the risk of declining used car prices. In April 2003, management determined that, due to provisions in certain of its residual value insurance policies, the leases covered by these policies would not qualify as direct financing leases.

For leases originated prior to May 2002, the residual value insurance policies contain aggregate loss caps. The residuals insured under these policies are not considered guaranteed, and, accordingly, the related leases fail to qualify as direct financing leases under Statement No. 13. As a result, leases originated prior to May 2002 have been reclassified as operating leases for all periods presented. As of December 31, 2002, $2.3 billion of such leases, net of accumulated depreciation, are reflected in the Consolidated Balance Sheets as operating lease assets. All leases originated since April 2002 are covered under a new residual value insurance policy (the "New Policy") which insures the full residual value of each vehicle and includes no aggregate loss cap. Leases with residual gains are netted with leases with residual losses when claims are settled. The netting provision of the New Policy precluded Huntington from determining the amount of the guaranteed residual of any individual leased asset within the portfolio at lease inception. Thus, the related leases failed to qualify as direct financing leases. Huntington has amended the New Policy, retroactive to April 2002, by adding an endorsement that adds a level of insurance sufficient to meet the criteria as a residual value guarantee pursuant to Statement No. 13, on an individual lease-by-lease basis, with no netting provisions. In addition, Huntington continues to maintain



insurance coverage that insures the full value of the leased residuals.

Accordingly, and in reliance on guidance furnished by the Staff of the Securities and Exchange Commission in its announcement at the Financial Accounting Standards Board Emerging Issues Task Force meeting on May 15, 2003, all leases covered under the New Policy, as amended, are now appropriately classified as direct financing leases in the accompanying financial statements. As of March 31, 2003, $1.2 billion of such leases were included in loans and leases in the Consolidated Balance Sheets. It is management's intention to insure the residuals associated with future originations under the New Policy, as amended, and to classify such new originations as direct financing leases.

The impact of this restatement also affected the Consolidated Income Statements. Under the direct financing lease accounting method, interest income is recognized on leases on a "level-yield" or interest method that ascribes a portion of each lease payment to interest income, resulting in a constant rate of interest over the life of the lease. The remaining portion of each payment amortizes the net investment in the lease such that at the end of the lease term, the net investment equals the residual value as determined at the inception of the lease. Under operating lease accounting, lease payments are recorded as rental income, a component of Operating lease income in the Non-interest income section of the Consolidated Income Statements. Depreciation expense is recorded on a straight-line basis over the term of the lease from the cost of the automobile at the inception of the lease to the estimated residual value at the end of the lease term. Depreciation expense is included in Operating lease expense in the Non-interest expense section of the Consolidated Income Statement. Depreciation expense is adjusted prospectively at any time during the lease term when the estimated market value of the automobile at the end of the lease term changes. Upon disposition, a gain, reflected in Non-interest income, or a loss, reflected in Non-interest expense, is recorded for any difference between the net book value of the lease and the proceeds from the disposition of the automobile.

Over the term of the lease, the cash flows, the timing of the cash flows, and total income recognized are identical under either accounting method. One significant difference between the two methodologies is the timing of income recognition. Under operating lease accounting, less income is recognized in the first half of the lease and more income is recognized in the second half than under direct financing lease accounting.

Another significant difference between the direct financing lease method and the operating lease method of accounting is the recognition of credit loss expense. Credit losses occur when a lease is terminated early because the lessee fails to make the required lease payments. These credit-generated terminations result in Huntington taking possession of the automobile earlier than expected. When this occurs, the market value of the automobile may be less than Huntington's book value, resulting in a loss upon sale or write down to market value while the vehicle is pending sale. Under the direct financing lease accounting method, such losses are charged against an allowance for loan and lease losses that is established at the inception of the lease and is adjusted periodically as necessary through provision expense. Under operating lease accounting, the lease is not treated like a loan, but as a depreciable non-interest earning asset. Therefore, no allowance for loan and lease losses is established. As such, early termination losses are recognized as a component of Operating lease expense in the Non-interest expense section of the Consolidated Income Statements.

The fact that part of the auto lease portfolio is accounted for as operating leases, with the remainder, including all future production, being accounted for as direct financing leases, will impact the comparability of Huntington's financial statements between reporting periods. As leases originated before April 2002, accounted for as operating leases run off, and as new originations are accounted for as direct financing leases, the level of operating lease income and operating lease expense will decline over future reporting periods while the level of interest income associated with direct financing leases will increase. Additionally, management will increase the provision for loan and lease losses as appropriate over time to provide the necessary level of reserves for new direct financing lease originations. Balance sheet classifications will also be impacted as the run off of the operating leases originated before the New Policy, as amended, reduces non-interest earning assets while the new direct financing lease originations covered under the New Policy, as amended, increase loans and leases.

As a result, Huntington restated its consolidated financial statements for the interim periods in 2002 and 2001, and each of the years 1997 through 2000, and filed an amended 2002 Annual Report with the SEC on May 20, 2003.

The results of the restatement are reflected in the unaudited consolidated financial statements, notes to the unaudited consolidated financial statements, and management's discussion and analysis for all current and prior periods reported in this Form 10-Q. Note 3 in the notes to the unaudited consolidated financial statements contains additional information regarding the restatement.

CRITICAL ACCOUNTING POLICIES

Note 1 to the consolidated financial statements included in Huntington's amended 2002 Annual Report lists significant accounting policies used in the

development and presentation of its financial statements. This discussion and analysis, the significant accounting policies, and other financial statement disclosures identify and address key variables



and other qualitative and quantitative factors that are necessary for an understanding and evaluation of the organization, its financial position, results of operations, and cash flows.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires Huntington's management to establish critical accounting policies and make accounting estimates, assumptions, and judgments that affect amounts recorded and reported in its financial statements. An accounting estimate requires assumptions about uncertain matters that could have a material effect on the financial statements of Huntington if a different amount within a range of estimates were used or if estimates changed from period to period. Readers of this interim report should understand that estimates are made under facts and circumstances at a point in time and changes in those facts and circumstances could produce actual results that differ from when those estimates were made. Huntington's management has identified the most significant accounting estimates and their related application in Huntington's amended 2002 Annual Report.

SPECIAL PURPOSE ENTITIES (SPEs)

Huntington established two securitization trusts, or SPEs, in 2000. These two trusts had total assets of approximately $1.1 billion at March 31, 2003. In the securitization transactions, indirect automobile loans that Huntington originated were sold to these trusts. Under current GAAP, these trusts are not required to be consolidated in Huntington's financial statements. As such, the loans and the debt within the trusts are not included on Huntington's balance sheets at March 31. See Note 10 to the consolidated financial statements in Huntington's amended 2002 Annual Report for more information regarding securitized loans.

In January 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46, Consolidation of Variable Interest Entities. This Interpretation of Accounting Research Bulletin No. 51 (ARB 51), Consolidated Financial Statements, addresses consolidation by business enterprises where ownership interests in an entity may vary over time or, in many cases, of special-purpose entities (SPEs). To be consolidated for financial reporting, these entities must have certain characteristics. ARB 51 requires that an enterprise's consolidated financial statements include subsidiaries in which the enterprise has a controlling financial interest. This Interpretation requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. An enterprise that holds significant variable interests in such an entity, but is not the primary beneficiary, is required to disclose certain information regarding its interests in that entity. This Interpretation applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds an interest that it acquired before February 1, 2003. It also applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. This Interpretation may be applied (1) prospectively with a cumulative-effect adjustment as of the date on which it is first applied, or (2) by restating previously issued financial statements for one or more years with a cumulative-effect adjustment as of the beginning of the first year restated.

Huntington is reviewing the implications of Interpretation No. 46 and is considering the adoption methods permitted. Management believes that the most significant impact of adoption will be the consolidation of one of the securitization trusts formed in 2000. The consolidation of that securitization trust will involve the recognition of the trust's net assets, which, at March 31, 2003, included $1,014 million of indirect automobile loans, $110 million of cash, and $1,000 million of secured debt obligations with an interest rate based on commercial paper rates. Adoption will also eliminate the retained interest in that securitization trust and its servicing asset related to the loans in the trust, with carrying values at March 31, 2003 of $154 million and $12 million, respectively. The impact to Huntington's equity and results of operations will depend on the method of transition adopted under this new interpretation. Huntington will adopt this new standard no later than the end of the third quarter of 2003.

DERIVATIVES AND OTHER OFF BALANCE SHEET ARRANGEMENTS

Huntington uses a variety of derivatives, principally interest rate swaps, in its asset and liability management activities to mitigate the risk of adverse interest rate movements on either cash flows or market value of certain assets and liabilities.

Like other financial organizations, Huntington uses various commitments in the ordinary course of business that, under GAAP, are not recorded in the

financial statements. Specifically, Huntington makes various commitments to extend credit to customers, to sell loans, and to maintain obligations under operating-type noncancelable leases for its facilities. Derivatives and other off-balance sheet arrangements are discussed under the "Interest Rate Risk Management" section of this interim report and in the notes to the unaudited consolidated financial statements.

RELATED PARTY TRANSACTIONS



Various directors and executive officers of Huntington, and entities affiliated with those directors and executive officers, are customers of Huntington's subsidiaries. All transactions with Huntington's directors and executive officers and their affiliates are conducted 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. A summary of the indebtedness of management can be found in Note 9 to Huntington's amended 2002 Annual Report. All other related party transactions, including those reported in Huntington's 2003 Proxy Statement and transactions subsequent to December 31, 2002, were considered immaterial to its financial condition, results of operations, and cash flows.

SUMMARY DISCUSSION OF RESULTS

Huntington's first quarter 2003 earnings were $88.8 million, or $0.38 per common share, down $4.3 million, or 5%, from earnings of $93.1 million, or $0.37 per common share, in the 2002 first quarter, and up $14.4 million, or 19%, from earnings of $74.4 million, or $0.32 per common share, in the 2002 fourth quarter.

The decrease in earnings compared to the year-ago quarter was a result of the sale of Huntington's Florida banking and insurance operations and related charges which occurred in the 2002 first quarter, as discussed in more detail below. Excluding the impact of these items, Huntington's first quarter 2003 earnings were up $13.9 million ($19.0 million pre-tax), or 19%, from earnings in the first quarter 2002 of $74.9 million ($101.9 million pre-tax), or $0.30 per common share. The primary drivers of this $19.0 million increase in pre-tax earnings from the year-ago quarter were a $13.3 million, or 3%, increase in fully taxable equivalent revenue and a $9.7 million, or 3%, decrease in non-interest expense, partially offset by a $3.0 million, or 9%, increase in the provision for loan and lease losses.

In July 2001, Huntington announced significant strategic initiatives, primarily the plan to sell its Florida banking and insurance operations, the implementation of which had a material impact on Huntington's performance results. The sale of the Florida banking operations, completed on February 15, 2002, included 143 banking offices and 456 ATMs with approximately $2.8 billion in loans and leases and other tangible assets and $4.8 billion in deposits and other liabilities. The 2002 first quarter's results included a $175.3 million pre-tax gain ($56.7 million after tax, or $0.23 per common share) from the sale of the Florida banking operations, a $4.1 million pre-tax loss ($2.7 million after tax loss, or $0.01 loss per common share) from the Florida banking operations through the mid-February sale, as well as $56.2 million pre-tax ($36.5 million after tax, or $0.14 per common share) in restructuring charges. The sale of the J. Rolfe Davis Insurance Agency, Inc., Huntington's Florida-based insurance operations, was completed on July 2, 2002. The year-ago quarter included the following items associated with these businesses: fully taxable equivalent net interest income of $9.7 million pre-tax, a provision for loan losses of $5.2 million pre-tax, non-interest income of $10.6 million pre-tax excluding the $175.3 million pre-tax gain, and non-interest expense of $18.3 million pre-tax excluding $56.2 million pre-tax in restructuring charges. These items plus the gain and restructuring charges, resulted in net income of $116.0 million pre-tax, or $18.2 million after tax, or $0.07 per share.

A reconciliation of the differences in Huntington's income statements and balance sheets between the 2002 first quarter on a GAAP basis and as adjusted to exclude the impact of the sale of the Florida banking and insurance operations and related charges, referred to as an "operating basis", is presented in Tables 18 and 19 on pages 42 and 43 of this report, respectively.

Net interest income on a fully taxable equivalent basis increased $29.1 million, or 16%, from the year-ago quarter, reflecting a 10% increase in average earning assets and an 18 basis point, or an effective 5%, increase in the fully taxable equivalent net interest margin to 3.81% from 3.63%. Excluding the impact of the sale of Huntington's Florida banking operations, net interest income on a fully taxable equivalent basis increased $38.8 million, or 22%, reflecting an 18% increase in average earning assets, and a 12 basis point, or an effective 3%, increase in the net interest margin to 3.81% from 3.69%.

Non-interest income decreased $211.5 million, or 44%, from the first quarter 2002, reflecting primarily the $175.3 gain on the sale of the Florida banking operations in the year-ago quarter. Non-interest income decreased $25.6 million, or 9%, from the year-ago quarter excluding from the year-ago quarter the gain from the sale of the Florida banking operations and Florida banking and insurance operating results. This decrease reflected declines in operating lease

and mortgage banking income, partially offset by increases in service charges on deposit accounts, brokerage and insurance fees, other service charges and fees, and other income, which included a $7.0 million gain from the sale of $560 million of automobile loans late in the 2003 first quarter.

The provision for loan and lease losses declined $2.2 million, or 6%, reflecting the sale of the Florida banking operations in the year-ago first quarter. Adjusting the year-ago first quarter to exclude the impact of this sale, the provision for loan and lease losses increased $3.0 million, or 9%, reflecting primarily loan and lease growth exclusive of Florida.



Non-interest expense declined $84.2 million, or 21%, as the year-ago quarter included $56.2 million of restructuring charges, and was down $28.0 million, or 8%, excluding the impact of these charges. These decreases were primarily driven by a $29.2 million, or 21%, decrease in operating lease expense. Other expense items contributing to the decline were outside data processing and other services, down $1.9 million, or 10%, and other expense, down $3.5 million, or 17%. The only expense that was up appreciably was personnel costs, which increased $7.5 million, or 7%. Excluding from the year-ago quarter the impact of the sale of Huntington's Florida banking and insurance operations in addition to the restructuring charges, non-interest expense was down $9.7 million, or 3%. The primary driver of this decrease was a $29.2 million decline in operating lease expense, partially offset by a $17.4 million, or 17%, increase in personnel costs, and to a smaller degree, increases in net occupancy, professional services, and equipment.

First quarter 2003 return on average equity (ROE) was 16.1%, slightly higher than 15.8% in the year-ago quarter, though the return on average assets (ROA) of 1.31% was down from 1.42% a year earlier. The efficiency ratio for the first quarter 2003 was 67.0%. Excluding the impact of the sale of Florida banking and insurance operations and related items, ROE in the year-ago quarter was 12.7%, with ROA and the efficiency ratio at 1.22% and 70.8%, respectively.



TABLE 1 - SELECTED QUARTERLY INCOME STATEMENT DATA (1)

<TABLE>
<CAPTION>

| | 2003 | 2002 | | | |
|---|---|---|---|---|---|
| (in thousands, except per share amounts) | FIRST | Fourth | Third | Second | First |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Total Interest Income | $331,991 | $341,446 | $339,378 | $322,909 | $335,201 |
| Total Interest Expense | 119,362 | 131,191 | 133,894 | 131,928 | 150,770 |
| NET INTEREST INCOME | 212,629 | 210,255 | 205,484 | 190,981 | 184,431 |
| Provision for loan and lease losses | 36,844 | 51,236 | 54,304 | 49,876 | 39,010 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES | 175,785 | 159,019 | 151,180 | 141,105 | 145,421 |
| Operating lease income | 133,755 | 143,465 | 154,367 | 168,047 | 175,906 |
| Service charges on deposit accounts | 39,592 | 41,177 | 37,460 | 35,354 | 38,530 |
| Brokerage and insurance income | 15,497 | 13,941 | 13,664 | 16,899 | 17,605 |
| Trust services | 14,911 | 15,306 | 14,997 | 16,247 | 15,501 |
| Mortgage banking | 14,890 | 11,410 | 6,289 | 10,725 | 19,565 |
| Bank Owned Life Insurance income | 11,137 | 11,443 | 11,443 | 11,443 | 11,676 |
| Other service charges and fees | 10,338 | 10,890 | 10,837 | 10,529 | 10,632 |
| Securities gains | 1,198 | 2,339 | 1,140 | 966 | 457 |
| Gain on sale of Florida operations | --- | --- | --- | --- | 175,344 |
| Merchant Services gain | --- | --- | 24,550 | --- | |

| | | | | | |
|---|---|---|---|---|---|
| Other | 26,237 | 21,620 | 21,323 | 17,811 | 13,884 |
| TOTAL NON-INTEREST INCOME | 267,555 | 271,591 | 296,070 | 288,021 | 479,100 |
| Operating lease expense | 111,588 | 120,747 | 125,743 | 131,695 | 140,785 |
| Personnel costs | 121,743 | 113,852 | 107,477 | 105,146 | 114,285 |
| Net occupancy | 16,815 | 13,454 | 14,815 | 14,756 | 17,239 |
| Outside data processing and other services | 16,579 | 17,209 | 15,128 | 16,592 | 18,439 |
| Equipment | 16,412 | 17,337 | 17,378 | 16,659 | 16,949 |
| Marketing | 6,626 | 6,186 | 7,491 | 7,231 | 7,003 |
| Professional services | 6,331 | 8,026 | 6,083 | 6,267 | 5,401 |
| Telecommunications | 5,701 | 5,714 | 5,609 | 5,320 | 6,018 |
| Printing and supplies | 3,681 | 3,999 | 3,679 | 3,683 | 3,837 |
| Restructuring charges | --- | --- | --- | --- | 56,184 |
| Other | 17,009 | 25,005 | 19,050 | 20,683 | 20,534 |
| TOTAL NON-INTEREST EXPENSE | 322,485 | 331,529 | 322,453 | 328,032 | 406,674 |
| INCOME BEFORE INCOME TAXES | 120,855 | 99,081 | 124,797 | 101,094 | 217,847 |
| Income taxes | 32,023 | 24,687 | 33,193 | 27,169 | 124,706 |
| NET INCOME | $ 88,832 | $ 74,394 | $ 91,604 | $ 73,925 | $ 93,141 |
| PER COMMON SHARE | | | | | |
| Net Income - Diluted | $ 0.38 | $ 0.32 | $ 0.38 | $ 0.30 | $ 0.37 |
| Cash Dividends Declared | $ 0.16 | $ 0.16 | $ 0.16 | $ 0.16 | $ 0.16 |
| RETURN ON: | | | | | |
| Average total assets | 1.31% | 1.10% | 1.41% | 1.19% | 1.42% |
| Average total shareholders' equity | 16.1% | 13.2% | 15.9% | 12.6% | 15.8% |
| Net interest margin | 3.81% | 3.83% | 3.98% | 3.91% | 3.63% |
| Efficiency ratio (2) | 67.0% | 68.8% | 67.6% | 68.4% | 71.4% |
| Effective tax rate | 26.5% | 24.9% | 26.6% | 26.9% | 57.2% |
| REVENUE - FULLY TAXABLE EQUIVALENT (FTE) | | | | | |
| Net Interest Income | $212,629 | $210,255 | $205,484 | $190,981 | $184,431 |
| Tax Equivalent Adjustment (3) | 2,096 | 1,869 | 1,096 | 1,071 | 1,169 |
| Net Interest Income | 214,725 | 212,124 | 206,580 | 192,052 | 185,600 |
| Non-Interest Income | 267,555 | 271,591 | 296,070 | 288,021 | 479,100 |
| TOTAL REVENUE | $482,280 | $483,715 | $502,650 | $480,073 | $664,700 |
| TOTAL REVENUE EXCLUDING SECURITIES GAINS | $481,082 | $481,376 | $501,510 | $479,107 | |

$664,243
===============================================================================================================================
</TABLE>

(1) Each of the quarters in 2002 have been restated. Please see note 3 to the unaudited consolidated financial statements for further information.

(2) Excludes gain on sale of Florida operations, Merchant Services gain, and securities gains from revenue, and restructuring charges and amortization of intangible assets from expenses.

(3) Calculated assuming a 35% tax rate.



RESULTS OF OPERATIONS

NET INTEREST INCOME

2003 First Quarter versus 2002 First Quarter

Net interest income on a fully-taxable equivalent basis was $214.7 million in the 2003 first quarter, up $29.1 million, or 16%, from the year-ago quarter reflecting 10% growth in average earning assets, primarily loans and leases, and an 18 basis point, or an effective 5%, increase in the fully taxable equivalent net interest margin to 3.81% from 3.63%. Excluding the impact of the sold Florida banking operations in the year-ago quarter, net interest income on a fully taxable equivalent basis was up $38.8 million, or 22%, driven by a $3.5 billion, or 18%, increase in average earning assets, and a 12 basis point, or an effective 3%, increase in the net interest margin to 3.81% from 3.69%. (See Tables 18 and 19 on page 42 and 43). The increase in the net interest margin, excluding the impact of the Florida operations, reflected the positive impact of the lower rate environment between the two periods, and a higher percentage of wholesale funding. However, the margin declined in each of the last two quarters as it became increasingly difficult to lower funding costs commensurate with the decline on earning asset yields.

Average loans and leases in the 2003 first quarter were $19.0 billion, up $1.6 billion, or 9%, from the year-ago quarter reflecting $2.9 billion, or 18%, growth in average non-Florida-related loans and leases, partially offset by the $1.4 billion in average loans and leases sold with the Florida banking operations in the year-ago quarter. The $2.9 billion growth in average loans and leases excluding the sold Florida loans and leases reflected a 9% increase in commercial real estate loans and a $2.7 billion, or 39%, increase in average consumer loans. This growth in consumer loans came from residential mortgages (up 72%) and home equity loans (up 16%) reflecting the increased demand due to the low interest rate environment, and automobile loans and direct financing leases (up 56%). The growth in automobile loans and leases reflected annualized growth in automobile loans of 21%. Direct financing leases averaged $1.0 billion in the 2003 first quarter, up $0.9 billion from the year-ago quarter, reflecting the amendment to the new policy as described in Note 3 to the unaudited consolidated financial statements. Prior to May 2002, all leases were reflected as operating leases. Average commercial loans, excluding sold Florida loans from the year-ago quarter, were essentially unchanged reflecting a combination of factors including continued weakness in the economy, as well as planned reductions in shared national credits and the sale of certain commercial loans in the 2002 fourth quarter.

During the recent quarter, Huntington sold $560 million of auto loans as part of a plan to reduce exposure to the automobile financing business. This sale had no material impact on average loan and lease balances, however, as the transaction occurred late in the quarter.

Average core deposits were $15.0 billion in the 2003 first quarter, down $1.3 billion, or 8%, from the year-ago quarter, as a result of the $2.3 billion in average core deposits sold with the Florida banking operations in the year-ago quarter, partially offset by growth of $1.0 billion, or 7%, in non-Florida-related core deposits. The $1.0 billion increase in average non-Florida-related core deposits reflected very strong growth in average interest bearing demand deposits, which increased $1.2 billion, or 28%, from the year-ago quarter, as retail certificates of deposit (CDs) declined $0.4 billion, or 10%, reflecting planned reductions in these higher cost deposits.



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TABLE 2 - CONSOLIDATED QUARTERLY AVERAGE BALANCE SHEETS AND NET INTEREST MARGIN ANALYSIS
(in millions)

<TABLE>
<CAPTION>
- ---------------------------------------------------------------------------------------------------------------------------

AVERAGE BALANCES AVERAGE

RATES (3)

| Fully Tax Equivalent Basis (1) | 2003 FIRST | 2002 Fourth | 2002 Third | 2002 Second | 2002 First | 2003 FIRST | 2002 Fourth | 2002 Third | 2002 Second | 2002 First |
|---|---|---|---|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> |
| ASSETS | | | | | | | | | | |
| Interest bearing deposits in banks | $ 37 | $ 34 | $ 35 | $ 29 | $ 34 | 1.61% | 1.93% | 2.06% | 2.44% | 2.02% |
| Trading account securities | 12 | 9 | 7 | 6 | 5 | 4.63 | 3.37 | 4.95 | 5.37 | 2.79 |
| Federal funds sold and securities purchased under resale agreements | 57 | 83 | 76 | 68 | 62 | 2.14 | 1.83 | 1.40 | 1.51 | 1.43 |
| Mortgages held for sale | 459 | 467 | 267 | 174 | 381 | 5.56 | 5.84 | 6.57 | 7.07 | 6.51 |
| Securities: | | | | | | | | | | |
| Taxable | 3,014 | 3,029 | 2,953 | 2,735 | 2,713 | 5.17 | 5.53 | 6.01 | 6.33 | 6.43 |
| Tax exempt | 275 | 234 | 108 | 96 | 101 | 7.22 | 7.15 | 7.52 | 7.69 | 7.76 |
| Total Securities | 3,289 | 3,263 | 3,061 | 2,831 | 2,814 | 5.34 | 5.64 | 6.07 | 6.37 | 6.48 |
| Loans and Leases: (2) | | | | | | | | | | |
| Commercial | 5,621 | 5,553 | 5,502 | 5,614 | 6,045 | 5.51 | 5.76 | 5.86 | 5.84 | 5.75 |
| Real Estate | | | | | | | | | | |
| Construction | 1,188 | 1,071 | 1,248 | 1,259 | 1,291 | 4.23 | 4.26 | 4.70 | 5.14 | 4.99 |
| Commercial | 2,565 | 2,601 | 2,316 | 2,233 | 2,364 | 5.76 | 5.92 | 6.31 | 6.54 | 6.80 |
| Consumer | | | | | | | | | | |
| Automobile loans and leases | 4,136 | 3,745 | 3,264 | 2,764 | 2,822 | 8.09 | 8.57 | 9.73 | 9.69 | 8.86 |
| Home equity | 3,239 | 3,168 | 3,062 | 2,911 | 3,209 | 5.35 | 5.82 | 5.96 | 6.05 | 6.56 |
| Residential mortgage | 1,841 | 1,702 | 1,492 | 1,390 | 1,185 | 5.62 | 5.69 | 5.96 | 6.21 | 6.62 |
| Other loans | 388 | 398 | 404 | 413 | 482 | 7.47 | 8.14 | 8.58 | 8.62 | 8.59 |
| Total Consumer | 9,604 | 9,013 | 8,222 | 7,478 | 7,698 | 6.67 | 7.04 | 7.58 | 7.57 | 7.54 |
| Total loans and leases | 18,978 | 18,238 | 17,288 | 16,584 | 17,398 | 6.05 | 6.33 | 6.66 | 6.66 | 6.63 |
| Allowance for loan and lease losses | 349 | 386 | 367 | 357 | 371 | | | | | |
| Net loans and leases | 18,629 | 17,852 | 16,921 | 16,227 | 17,027 | | | | | |
| Total earning assets | 22,832 | 22,094 | 20,734 | 19,692 | 20,694 | 5.92% | 6.19% | 6.54% | 6.60% | 6.58% |
| Operating lease assets | 2,126 | 2,382 | 2,657 | 2,906 | 3,041 | | | | | |
| Cash and due from banks | 740 | 717 | 763 | 722 | 819 | | | | | |
| Intangible assets | 218 | 225 | 202 | 213 | 536 | | | | | |
| All other assets | 1,844 | 1,811 | 1,792 | 1,796 | 1,851 | | | | | |
| TOTAL ASSETS | $27,411 | $26,843 | $25,781 | $24,972 | $26,570 | | | | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | | |
| Core deposits | | | | | | | | | | |
| Non-interest bearing deposits | $ 2,958 | $ 2,955 | $ 2,868 | $ 2,739 | $ 3,041 | | | | | |
| Interest bearing demand deposits | 5,597 | 5,305 | 5,269 | 4,920 | 5,148 | 1.47% | 1.57% | 1.77% | 1.84% | 1.80% |
| Savings deposits | 2,771 | 2,746 | 2,766 | 2,808 | 3,097 | 1.89 | 1.73 | 1.81 | 1.83 | 1.87 |
| Other domestic time deposits | 3,671 | 4,002 | 4,167 | 4,226 | 5,015 | 3.91 | 4.26 | 4.40 | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 4.51 | 4.88 |
| Total core deposits | 14,997 | 15,008 | 15,070 | 14,693 | 16,301 | 2.31 | 2.50 | 2.68 | 2.78 | 2.98 |
| Domestic time deposits of $100,000 or more | 743 | 735 | 777 | 844 | 1,052 | 2.86 | 3.29 | 3.29 | 3.33 | 3.58 |
| Brokered time deposits and negotiable CDs | 1,155 | 1,057 | 907 | 649 | 302 | 1.98 | 2.25 | 2.37 | 2.48 | 2.48 |
| Foreign time deposits | 515 | 409 | 370 | 296 | 270 | 1.06 | 1.29 | 1.43 | 1.38 | 1.91 |
| Total deposits | 17,410 | 17,209 | 17,124 | 16,482 | 17,925 | 2.27 | 2.49 | 2.66 | 2.77 | 2.99 |
| Short-term borrowings | 2,347 | 2,515 | 2,108 | 1,886 | 1,998 | 1.84 | 1.86 | 1.88 | 1.97 | 2.36 |
| Medium-term notes | 2,233 | 1,832 | 1,752 | 1,910 | 1,967 | 2.71 | 3.26 | 3.37 | 3.21 | 3.43 |
| Federal Home Loan Bank advances | 1,216 | 848 | 228 | 14 | 17 | 1.47 | 1.84 | 2.04 | 5.97 | 6.10 |
| Subordinated notes and other long-term debt, including preferred capital securities | 937 | 1,147 | 1,215 | 1,215 | 1,216 | 3.72 | 3.80 | 3.99 | 4.03 | 4.12 |
| Total interest bearing liabilities | 21,185 | 20,596 | 19,559 | 18,768 | 20,082 | 2.29% | 2.53% | 2.73% | 2.82% | 3.04% |
| All other liabilities | 1,029 | 1,059 | 1,075 | 1,114 | 1,063 | | | | | |
| Shareholders' equity | 2,239 | 2,233 | 2,279 | 2,351 | 2,384 | | | | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $27,411 | $26,843 | $25,781 | $24,972 | $26,570 | | | | | |
| Net interest rate spread | | | | | | 3.63% | 3.66% | 3.82% | 3.78% | 3.54% |
| Impact of non-interest bearing funds on margin | | | | | | 0.18 | 0.17 | 0.16 | 0.13 | 0.09 |
| NET INTEREST MARGIN | | | | | | 3.81% | 3.83% | 3.98% | 3.91% | 3.63% |

</TABLE>

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

(2) Individual loan components include applicable fees.

(3) Loan and deposit average rates include impact of applicable derivatives.



2003 First Quarter versus 2002 Fourth Quarter

Fully-taxable equivalent net interest income increased $2.6 million from the fourth quarter reflecting growth in earning assets, primarily loans and leases, partially offset by a lower net interest margin and the negative impact of two less days in the quarter. The net interest margin declined to 3.81% from 3.83% driven by a number of factors including growth in lower rate, but higher quality, auto loans and leases, and heavy prepayments of higher rate mortgages, partially offset by the maturity of $675 million in high-rate retail CDs. Average earning assets increased $0.7 billion, or 13% annualized, related to growth in average loans and leases, as other earning assets were basically unchanged.

Average loans and leases increased 16% on an annualized basis from the fourth quarter reflecting a 26% annualized growth in consumer loans. Average residential mortgages grew 33% annualized, reflecting continued strong demand for residential mortgages, with average home equity loans and lines of credit up 9% annualized. Average automobile loans and leases increased at a 42% annualized rate reflecting two factors. First, good underlying growth in automobile loans, and second, the rapid build up of automobile direct financing lease balances as new leases originated since April 2002 were recorded as direct financing leases. Total average commercial and commercial real estate loans increased 6% annualized, reflecting a 5% annualized increase in average commercial loans and a 9% annualized increase in average commercial real estate loans.

With interest rates at low absolute levels, retail CDs represent a relatively expensive source of funds. As such, other more attractive funding

sources were emphasized during the 2003 first quarter, which resulted in average retail CD balances declining $331 million, as $675 million of high-rate CDs matured during the quarter. Total average core deposits, excluding retail CDs, increased $320 million, or 12%, annualized.

PROVISION FOR LOAN AND LEASE LOSSES

The provision for loan and lease losses is the expense necessary to maintain the allowance for loan and lease losses (ALLL) at a level adequate to absorb management's estimate of inherent losses in the total loan portfolio. Taken into consideration are such factors as current period net charge-offs that are charged against the ALLL, current period loan and lease growth and any related estimate of likely losses associated with that growth based on historical experience, the current economic outlook and the anticipated impact on credit quality of existing loans and leases, and other factors.

The provision expense in the first quarter of 2003 was $36.8 million, down $2.2 million, or 6%, from the year-ago quarter, reflecting the sale of the Florida banking operations in the year-ago quarter. Excluding the impact of the loans sold with the Florida banking operations, the provision expense was up $3.0 million, or 9%, reflecting loan and lease growth partially offset by reduced net charge-offs. (See Tables 18 and 19 on page 42 and 43)

The provision for loan and lease losses in the first quarter 2003 was down $14.4 million from the fourth quarter 2002, reflecting lower loan growth in the first quarter 2003 than the fourth quarter of 2002, and reduced provision expense for direct financing leases. The current quarter's $36.8 million provision expense exceeded net charge-offs by $4.0 million, or 12%. The allowance for loan and lease losses at March 31, 2003 as a percent of period-end loans and leases was 1.78%, down from 1.81% at the end of last year, and from 2.09% at the end of the year-ago first quarter. The allowance for loan and lease losses as a percent of non-performing assets (NPAs) decreased to 239% at March 31, 2003 from 246% at the end of the 2002 fourth quarter, but was significantly higher than the 151% level at the end of the year-ago quarter. (See Credit Risk section for discussion of the ALLL, NPAs, and net charge-offs).

NON-INTEREST INCOME

2003 First Quarter versus 2002 First Quarter

Non-interest income was $267.6 million in the 2003 first quarter, down $211.5 million, or 44%, from the year-ago quarter, which included a $175.3 million gain from the sale of the Florida banking operations. Excluding the gain from the year-ago quarter, as well as $10.6 million of non-interest income associated with the sold Florida banking and insurance operations, 2003 first quarter non-interest income was down $25.6 million, or 9%. See Tables 18 and 19 on pages 42 and 43. Table 3 reflects non-interest income detail for the three months ended March 31, 2003 and 2002:



<TABLE>
<CAPTION>

TABLE 3 - NON-INTEREST INCOME
(in thousands of dollars)

| | THREE MONTHS ENDED MARCH 31, | | |
|---|---|---|---|
| | 2003 | 2002 | % CHANGE |
| <S> | <C> | <C> | <C> |
| Operating lease income | $133,755 | $175,906 | (24.0)% |
| Service charges on deposit accounts | 39,592 | 38,530 | 2.8 |
| Brokerage and insurance income | 15,497 | 17,605 | (12.0) |
| Trust services | 14,911 | 15,501 | (3.8) |
| Mortgage banking | 14,890 | 19,565 | (23.9) |
| Bank Owned Life Insurance income | 11,137 | 11,676 | (4.6) |
| Other service charges and fees | 10,338 | 10,632 | (2.8) |
| Securities gains | 1,198 | 457 | N.M. |
| Gain on sale of Florida operations | --- | 175,344 | N.M. |
| Other | 26,237 | 13,884 | 89.0 |
| TOTAL NON-INTEREST INCOME | $267,555 | $479,100 | (44.2)% |

</TABLE>

As shown in Table 3, and excluding the impact of the year-ago quarter's gain on sale of the Florida operations, non-interest income was down $36.2 million. This reflected a $42.2 million, or 24%, decrease in operating lease income (see Operating Lease discussion below).

Other income was $26.2 million in the current quarter, up $12.4 million including a $7.0 million gain from the sale of $560 million of automobile loans in the current quarter and a $5.4 million, or 39%, aggregate increase in a number of activities including trading, investment banking, and merchant

services. Service charges on deposit accounts were up $1.1 million, or 3%, reflecting a $5.3 million, or 16%, increase due primarily to higher consumer NSF and overdraft-related fees, substantially offset by the $4.2 million decline associated with the sold Florida banking and insurance operations. Other service charges and fees declined $0.3 million, or 3%, from the year-ago quarter, reflecting a $1.2 million, or 13%, increase related to higher transaction-based product fees, more than offset by the $1.5 million decrease associated with the sold Florida banking and insurance operations.

Brokerage and insurance income was $15.5 million in the 2003 first quarter. This was down $2.1 million, or 12%, reflecting a $4.2 million decline associated with the sold Florida banking and insurance operations, partially offset by a $2.1 million, or 16%, increase related to growth in non-Florida related annuity income (up 34%).

Mortgage banking income was down $4.7 million, or 24%, reflecting a combination of factors related to the lower level of interest rates in the current quarter versus a year ago. Loan originations were up 50% from the year-ago quarter, which increased origination fee income. However, this benefit was more than offset by the negative impact lower interest rates had on accelerating the amortization of mortgage servicing rights (MSRs), as well as the absence of gains on sale of MSRs in the year-ago quarter. The sale of the Florida banking operations had no material effect on mortgage banking year-over-year comparisons.

2003 First Quarter versus 2002 Fourth Quarter

Non-interest income was down $4.0 million, or 1%, from the fourth quarter. This reflected a $9.7 million decline in operating lease income. (See Operating Lease Assets on page 28 for further discussion). Reflecting seasonal factors, service charges on deposits declined $1.6 million, or 4%. Trust services income declined $0.4 million, or 3%, reflecting lower account balances driven by weak capital markets. Other service charges and fees declined $0.6 million, or 5%, due to the seasonal decline in transaction-based product fees. Partially offsetting these declines was a $4.6 million increase in other income, which included the $7.0 million pre-tax gain on the sale of $560 million of automobile loans, partially offset by a decrease in letter of credit fees of $2.3 million, or 11%, related to the adoption of FASB Interpretation No. 45. Mortgage banking income increased $3.5 million, or 30%, as the fourth quarter 2002 results included an impairment charge of $6.2 million on mortgage servicing rights. The current quarter had no such impairment. Brokerage and insurance income increased $1.6 million, or 11%, driven by record annuity sales and growth in insurance products.



NON-INTEREST EXPENSE

2003 First Quarter versus 2002 First Quarter

Non-interest expense in the 2003 first quarter was $322.5 million, down $84.2 million, or 21%, from the year-ago quarter, which included $56.2 million of restructuring charges. Excluding restructuring charges, as well as $18.3 million of non-interest expenses associated with the sold Florida banking and insurance operations as reflected in Table 18, first quarter non-interest expense in 2003 was down $9.7 million, or 3%, from the year-ago quarter. See Tables 18 and 19 on pages 42 and 43. Table 4 reflects non-interest expense detail for the three months ended March 31, 2003 and 2002:

<TABLE>
<CAPTION>

TABLE 4 - NON-INTEREST EXPENSE

| (in thousands of dollars) | THREE MONTHS ENDED MARCH 31, | | |
|---|---|---|---|
| | 2003 | 2002 | % CHANGE |
| <S> | <C> | <C> | <C> |
| Operating lease expense | $111,588 | $140,785 | (20.7)% |
| Personnel costs | 121,743 | 114,285 | 6.5 |
| Net occupancy | 16,815 | 17,239 | (2.5) |
| Outside data processing and other services | 16,579 | 18,439 | (10.1) |
| Equipment | 16,412 | 16,949 | (3.2) |
| Marketing | 6,626 | 7,003 | (5.4) |
| Professional services | 6,331 | 5,401 | 17.2 |
| Telecommunications | 5,701 | 6,018 | (5.3) |
| Printing and supplies | 3,681 | 3,837 | (4.1) |
| Restructuring charges | --- | 56,184 | N.M. |
| Other | 17,009 | 20,534 | (17.2) |
| TOTAL NON-INTEREST EXPENSE | $322,485 | $406,674 | (20.7)% |

</TABLE>

The largest contributor to the year-over-year decrease in non-interest expense was lower operating lease expense, which decreased $29.2 million, or 21%. (See Operating Lease Assets - Table 5 on page 28 for further discussion). Net occupancy expense declined $0.4 million, or 2%, from a year ago, reflecting a $2.5 million decline associated with the sold Florida banking and insurance operations, partially offset by a $2.0 million, or 14%, increase related to higher snow removal costs in the current quarter. The other expense category declined $3.5 million, or 17%, from a year ago, due to a $2.7 million, or 13%, decline related to lower residual value insurance expense and a $2.2 million decline associated with the sold Florida banking and insurance operations, of which $1.2 million related to the elimination of goodwill.

Personnel costs, which totaled $121.7 million in the 2003 first quarter, were up $7.5 million, or 7%, from the year-ago quarter, and reflected a $17.4 million, or 17%, increase, partially offset by a $10.0 million decline associated with the sold Florida banking and insurance operations. The $17.4 million increase reflected a combination of factors including increased pension and health insurance expense, higher staffing in regional banking and the credit work out areas, as well as higher production-related compensation supporting higher levels of mortgage origination production. Full-time equivalent staff at the end of March 2003 was 8,134 compared with 8,342 at the end of the first quarter last year. This decline in staff reflected planned staff reductions, primarily Florida-related operations support staff located outside the state of Florida which were not part of the sold banking operations. Professional services were up $0.9 million, or 17%, reflecting a $1.1 million, or 21%, increase due to higher legal and consulting fees mostly related to expanded loan workout activities, partially offset by a $0.2 million decline associated with the sold Florida banking and insurance operations.

2003 First Quarter versus 2002 Fourth Quarter

Non-interest expense was down $9.0 million, or 3%, from the fourth quarter driven primarily by lower operating lease expense, which was down $9.2 million, or 8% (see Operating Lease Assets - Table 5 on page 28 and the related discussion), lower other expense, down $8.0 million, and lower professional services, down $1.7 million. Personnel costs were up $7.9 million, or 7%, reflecting a combination of factors including the annual FICA reset, higher pension costs, higher performance-based compensation, and transition expenses related to a reduction in headcount. The $3.4 million increase in net occupancy expense reflected higher real estate taxes and snow removal costs.

The efficiency ratio was 67.0% in the 2003 first quarter, down slightly from 70.8% in the year-ago quarter excluding the impact of the sold Florida banking and insurance operations, and from 68.8% in the 2002 fourth quarter.



OPERATING LEASE ASSETS

Operating lease assets represent automobile leases originated prior to May 2002 and is a portfolio that will run-off over time as all automobile lease originations since then have been recorded as direct finance leases in the automobile loan and lease category. As a result, the income and expenses associated with this portfolio will also decline over time. Average operating lease assets in the 2003 first quarter were $2.1 billion, down 30% from the year-ago quarter and 11% from the 2002 fourth quarter.

Operating lease income, which totaled $133.8 million in the 2003 first quarter, is the largest non-interest income category and represented 50% of non-interest income. This was down $42.2 million, or 24%, from the year-ago quarter and $9.7 million, or 7%, from the fourth quarter, reflecting declines in average operating leases of 30% and 11%, respectively. Since April 2002, new automobile leases originated by Huntington are accounted for as direct financing leases, whereas automobile leases prior to that date were accounted for as operating leases. Thus, the operating lease asset balances continue to decline through both depreciation expense and lease termination. However, rental income is only impacted by lease terminations, which decline at a slower rate than the underlying operating lease balance. Fees and recoveries from early terminations also declined 83% and 39%, respectively, from the year-ago quarter.

Operating lease expense totaled $111.6 million, down $29.2 million, or 21%, from the year ago quarter and down $9.2 million, or 8%, from the 2002 fourth quarter. These declines also reflect the fact that this portfolio will decrease over time as no new operating leases are being recorded. Losses on early terminations declined $4.2 million, or 26%, from the year-ago quarter, and $2.0 million from the 2002 fourth quarter.

Losses on operating lease assets consist of residual losses at termination and losses on early terminations. Residual losses arise if the ultimate value / sales proceeds from the automobile are less then Black Book value, which represents the insured amount under the company's residual value insurance policies. This situation may occur due to excess wear-and-tear or excess mileage, not collected from the lessee. Losses on early terminations occur when a lessee, due to credit or other reasons, turns in the automobile before the end

of the lease term. A loss is realized if the automobile is sold for a value less than the net book value at the date of turn-in. Such losses are not covered by the residual value insurance policies. To the extent the company is successful in collecting any deficiency from the lessee, amounts received are recorded as recoveries from early terminations.

Table 5 details operating lease assets performance for the three months ended March 31, 2003 and 2002:

<TABLE>
<CAPTION>

TABLE 5 - OPERATING LEASE ASSETS PERFORMANCE

| | THREE MONTHS ENDED MARCH 31, | | |
|---|---|---|---|
| | 2003 | 2002 | % CHANGE |
| <S> | <C> | <C> | <C> |
| BALANCE SHEET (IN MILLIONS) | | | |
| Average operating lease assets outstanding | $ 2,126 | $ 3,041 | (30.1)% |
| INCOME STATEMENT (IN THOUSANDS) | | | |
| Net rental income | $130,274 | $165,041 | (21.1)% |
| Fees | 1,195 | 7,133 | (83.2) |
| Recoveries - early terminations | 2,286 | 3,732 | (38.7) |
| TOTAL OPERATING LEASE INCOME | 133,755 | 175,906 | (24.0) |
| Depreciation and residual losses at termination | 99,283 | 124,244 | (20.1) |
| Losses - early terminations | 12,305 | 16,541 | (25.6) |
| TOTAL OPERATING LEASE EXPENSE | 111,588 | 140,785 | (20.7) |
| NET EARNINGS CONTRIBUTION | $ 22,167 | $ 35,121 | (36.9)% |
| Earnings ratios (1) | | | |
| Net rental income | 24.51% | 21.71% | |
| Depreciation | 18.68% | 16.34% | |

</TABLE>

(1) As a percent of average operating lease assets, quarterly amounts annualized.

INCOME TAXES

The provision for income taxes in the 2003 first quarter was $32.0 million and represented an effective tax rate on income before taxes of 26.5%. This was down $92.7 million from the year-ago quarter, primarily due to the fact that the year-ago quarter included the tax-related impacts associated with the gain on the sale of the Florida banking operations,



restructuring charges, and taxes on the operating results of the sold Florida banking and insurance operations. Excluding these impacts from the year-ago quarter, 2003 first quarter taxes were up $5.1 million, or 19%, with the year-ago quarter representing an effective tax rate of 26.4%. The effective tax rate in the 2002 fourth quarter was 24.9%. Each quarter, taxes for the full year are re-estimated and year-to-date tax accrual adjustments made. A number of factors, such as year-to-date adjustments, can result in fluctuations in quarterly effective tax rates.

CREDIT RISK

Huntington's exposure to credit risk is managed through the use of consistent underwriting standards that emphasize "in-market" lending while avoiding highly leveraged transactions as well as excessive industry and other concentrations. The credit administration function employs risk management techniques to ensure that loans and leases adhere to corporate policy and problem loans and leases are promptly identified. These procedures provide executive management with the information necessary to implement policy adjustments where necessary, and to take corrective actions on a proactive basis. Beginning in 2002, management increased its emphasis on its commercial lending to customers with existing or potential relationships within Huntington's primary markets. As a result, outstanding shared national credits were $994 million at March 31, 2003, up slightly from $979 million at the same period-end last year, but down from a peak of $1.5 billion at June 30, 2001.

In the first quarter of 2003, Huntington revised and implemented its internal risk grading system for commercial and commercial real estate credits. Huntington migrated from a single grading, to a dual risk grading system that separately measures the probability of default and loss in event of default and

provides Huntington with more specificity in the risk assessment process.

LOAN AND LEASE COMPOSITION

Table 6 shows the period-end loan portfolio by loan type and business segment:

TABLE 6 - LOAN AND LEASE COMPOSITION

| (in millions of dollars) | March 31, 2003 | | December 31, 2002 | | March 31, 2002 | |
|---|---|---|---|---|---|---|
| BY TYPE | Balance | % | Balance | % | Balance | % |
| Commercial | $ 5,747 | 30.3 | $ 5,606 | 30.1 | $ 5,682 | 34.9 |
| Commercial real estate | 3,778 | 19.9 | 3,731 | 20.0 | 3,488 | 21.4 |
| Total Commercial and Commercial Real Estate | 9,525 | 50.2 | 9,337 | 50.1 | 9,170 | 56.3 |
| Consumer | | | | | | |
| Automobile loans | 2,767 | 14.6 | 3,072 | 16.5 | 2,562 | 15.7 |
| Automobile direct financing leases | 1,161 | 6.1 | 893 | 4.8 | 78 | 0.5 |
| Home equity | 3,286 | 17.3 | 3,200 | 17.2 | 2,831 | 17.4 |
| Residential mortgage | 1,835 | 9.7 | 1,749 | 9.4 | 1,232 | 7.6 |
| Other loans | 383 | 2.1 | 394 | 2.0 | 418 | 2.5 |
| Total Consumer | 9,432 | 49.8 | 9,308 | 49.9 | 7,121 | 43.7 |
| TOTAL LOANS AND LEASES | $18,957 | 100.0 | $18,645 | 100.0 | $16,291 | 100.0 |
| BY BUSINESS SEGMENT | | | | | | |
| Regional Banking | | | | | | |
| Central Ohio / West Virginia | $ 4,836 | 25.5 | $ 4,824 | 25.9 | $ 4,502 | 27.6 |
| Northern Ohio | 2,709 | 14.3 | 2,607 | 14.0 | 2,723 | 16.7 |
| Southern Ohio / Kentucky | 1,558 | 8.2 | 1,506 | 8.1 | 1,391 | 8.5 |
| West Michigan | 1,949 | 10.3 | 1,871 | 10.0 | 1,842 | 11.3 |
| East Michigan | 1,212 | 6.4 | 1,192 | 6.4 | 986 | 6.1 |
| Indiana | 692 | 3.7 | 682 | 3.7 | 690 | 4.3 |
| Total Regional Banking | 12,956 | 68.4 | 12,682 | 68.1 | 12,134 | 74.5 |
| Dealer Sales | 4,704 | 24.8 | 4,711 | 25.3 | 3,226 | 19.8 |
| Private Financial Group | 1,121 | 5.9 | 1,062 | 5.7 | 809 | 5.0 |
| Treasury / Other | 176 | 0.9 | 190 | 0.9 | 122 | 0.7 |
| TOTAL LOANS AND LEASES | $18,957 | 100.0 | $18,645 | 100.0 | $16,291 | 100.0 |



NET CHARGE-OFFS

Net charge-offs in the first quarter of 2003 were $32.8 million and represented an annualized 0.69% of average loans and leases. In 2001, Huntington exited the sub-prime automobile and truck and equipment lending business and at that time established reserves to cover the inherent losses in these portfolios and against which future loan losses would be charged. Net charge-off excluding these exited businesses were $31.2 million, down from $39.2 million, or an annualized 0.92% of average loans and leases, in the same quarter last year, and down significantly from $81.3 million, or an annualized 1.79% of average loans and leases, in the fourth quarter 2002. Huntington initiated two credit actions associated with commercial and commercial real estate loans in the fourth quarter 2002. The first was the sale of $47.2 million in non-performing assets with $21.4 million of related charge-offs. The second action was the full charge-off of a $29.9 million credit exposure to a single health care finance company. This credit was identified as a non-performing loan and subsequently charged-off, all within the fourth quarter of 2002. These credit actions had no earnings impact, as existing loss reserve levels were sufficient to absorb the combined $51.3 million in charge-offs.

Table 7 reflects net charge-offs and annualized charge-offs as a percent of average loans and leases by type of loan:

TABLE 7 - NET LOAN AND LEASE CHARGE-OFFS

| (in thousands) | 2003 First | 2002 Fourth | 2002 Third | 2002 Second | 2002 First |
|---|---|---|---|---|---|
| NET CHARGE-OFFS | | | | | |
| Commercial | $14,942 | $59,725 | $16,808 | $21,468 | $19,527 |
| Commercial real estate | 546 | 7,536 | 4,085 | 2,037 | 3,983 |
| Total commercial and commercial real estate | 15,488 | 67,261 | 20,893 | 23,505 | 23,510 |
| Consumer | | | | | |
| Automobile loans | 9,268 | 8,778 | 6,869 | 5,733 | 10,217 |
| Automobile and direct financing leases | 920 | 730 | 202 | 498 | --- |
| Home equity loans | 4,053 | 3,526 | 2,934 | 3,096 | 3,950 |
| Residential mortgage | 145 | 72 | 123 | 555 | 122 |
| Other loans | 1,330 | 967 | 907 | 1,225 | 1,425 |
| Total consumer | 15,716 | 14,073 | 11,035 | 11,107 | 15,714 |
| Total net charge-offs, excluding exited businesses | 31,204 | 81,334 | 31,928 | 34,612 | 39,224 |
| Net charge-offs related to exited businesses | 1,632 | 1,824 | 1,857 | 2,385 | 3,748 |
| TOTAL NET CHARGE-OFFS | $32,836 | $83,158 | $33,785 | $36,997 | $42,972 |
| NET CHARGE-OFFS AS A % OF AVERAGE LOANS | | | | | |
| Commercial | 1.06% | 4.30% | 1.21% | 1.53% | 1.31% |
| Commercial real estate | 0.06 | 0.82 | 0.45 | 0.23 | 0.44 |
| Total commercial and commercial real estate | 0.66 | 2.92 | 0.91 | 1.04 | 0.98 |
| Consumer | | | | | |
| Automobile loans | 1.21 | 1.21 | 1.00 | 0.92 | 1.59 |
| Automobile direct financing leases | 0.36 | 0.38 | 0.17 | 1.20 | --- |
| Home equity loans & lines of credit | 0.50 | 0.45 | 0.38 | 0.43 | 0.50 |
| Residential mortgage | 0.03 | 0.02 | 0.03 | 0.16 | 0.04 |
| Other loans | 1.39 | 0.99 | 0.91 | 1.22 | 1.23 |
| Total consumer | 0.66 | 0.63 | 0.54 | 0.60 | 0.84 |
| Total net charge-offs, excluding exited businesses | 0.66 | 1.79 | 0.74 | 0.84 | 0.92 |
| TOTAL NET CHARGE-OFFS | 0.69% | 1.82% | 0.78% | 0.89% | 1.00% |



Economic activity has remained sluggish and the uncertainty about the future level of activity has increased recently. Nevertheless, and though net charge-offs are expected to be higher in the 2003 second quarter than the first quarter's annualized 0.69% level of average loans, 2003 full-year net charge-offs are still expected to be in the 0.65% - 0.75% range.

NON-PERFORMING ASSETS

Non-performing assets consist of loans and leases that are no longer accruing interest, loans and leases that have been renegotiated to below market rates based upon financial difficulties of the borrower, and real estate acquired through foreclosure. When interest accruals are suspended, accrued interest income is reversed with current year accruals charged to earnings and prior year amounts generally charged off as a credit loss. Commercial and commercial real estate loans are generally placed on non-accrual status when

collection of principal or interest is in doubt or when the loan is 90 days past due. Consumer loans and leases, excluding residential mortgages, are not placed on non-accrual status but are charged off in accordance with regulatory statutes, which is generally no more than 120 days past due. Residential mortgages, while highly secured, are placed on non-accrual status within 180 days past due as to principal and 210 days past due as to interest, regardless of security. A charge-off on a residential mortgage is recorded when the loan has been foreclosed and the loan balance exceeds the fair value of the real estate. The fair value of the collateral is then recorded as real estate owned. When, in management's judgment, the borrower's ability to make periodic interest and principal payments resumes and collectibility is no longer in doubt, the loan is returned to accrual status.

Table 8 summarizes NPAs at the end of each of the recent five quarters in addition to 90 day past due information:

TABLE 8 - NON-PERFORMING ASSETS AND PAST DUE LOANS AND LEASES

| | 2003 | 2002 | | | |
|---|---|---|---|---|---|
| (in thousands) | First | Fourth | Third | Second | First |
| Non-accrual loans and leases: | | | | | |
| Commercial | $ 94,754 | $ 91,861 | $147,392 | $156,252 | $162,959 |
| Commercial real estate | 22,585 | 26,765 | 47,537 | 45,795 | 43,295 |
| Residential mortgage | 9,302 | 9,443 | 8,488 | 8,776 | 11,896 |
| Total Nonaccrual Loans and Leases | 126,641 | 128,069 | 203,417 | 210,823 | 218,150 |
| Renegotiated loans | --- | --- | 37 | 1,268 | 1,268 |
| TOTAL NON-PERFORMING LOANS AND LEASES | 126,641 | 128,069 | 203,454 | 212,091 | 219,418 |
| Other real estate, net | 14,084 | 8,654 | 10,675 | 11,146 | 6,112 |
| TOTAL NON-PERFORMING ASSETS | $140,725 | $136,723 | $214,129 | $223,237 | $225,530 |
| Non-performing loans and leases as a % of total loans and leases | 0.67% | 0.69% | 1.14% | 1.26% | 1.35% |
| Non-performing assets as a % of total loans and leases and other real estate | 0.74% | 0.73% | 1.20% | 1.33% | 1.38% |
| ACCRUING LOANS AND LEASES PAST DUE 90 DAYS OR MORE | $ 58,159 | $ 61,526 | $ 57,337 | $ 47,663 | $ 51,446 |

Total NPAs were $140.7 million at March 31, 2003, up slightly from $136.7 million at the end of 2002, but down significantly from $225.5 million at the end of the first quarter last year. The overall decrease in NPAs from a year ago was primarily due to the sale of NPAs that occurred in the fourth quarter 2002. NPAs as a percent of total loans and leases and other real estate were 0.74% at March 31, 2003, compared with 1.38% a year ago and 0.73% at December 31, 2002.

Loans and leases past due ninety days or more and still accruing interest at the end of the first quarter of 2003 and 2002 were $58.2 million and $51.4 million, respectively. These past due loans and leases represented 0.31% and 0.32% of total loans and leases at the end of the first quarter of 2003 and 2002, respectively. At December 31, 2002, these loans and leases amounted to $61.5 million and represented 0.33% of total loans and leases. Table 9 reflects the change in NPAs for the recent five quarters:



TABLE 9 - NON-PERFORMING ASSET ACTIVITY

| | 2003 | 2002 | | | |
|---|---|---|---|---|---|
| (in thousands) | First | Fourth | Third | Second | First |
| BEGINNING OF PERIOD | $136,723 | $214,129 | $223,237 | $225,530 | $227,493 |

| | | | | | |
|---|---|---|---|---|---|
| New non-performing assets | 48,359 | 65,506 | 47,275 | 73,002 | 74,446 |
| Returns to accruing status | (5,993) | (12,658) | (380) | (337) | (3,749) |
| Loan and lease losses | (17,954) | (72,767) | (25,480) | (28,297) | (26,072) |
| Payments | (15,440) | (28,500) | (26,308) | (44,303) | (37,663) |
| Sales | (4,970) | (28,987) | (4,215) | (2,358) | (8,925) |
| END OF PERIOD | $140,725 | $136,723 | $214,129 | $223,237 | $225,530 |

</TABLE>

The first quarter of 2003 was the first quarter that Huntington experienced an increase in its NPA's since the fourth quarter of 2001. Loans and leases entering nonaccrual status were $48.4 million during the recent quarter while returns to accruing status were $6.0 million. While the economy has continued to be weak and the uncertainty about the future level of economic activity has increased, management continues to expect NPAs to remain around current levels through the remainder of the year.

ALLOWANCE FOR LOAN AND LEASE LOSSES

The ALLL was $337.0 million at March 31, 2003, down from $340.9 million at the end of the first quarter of 2002, but relatively unchanged from the $336.6 million at December 31, 2002. The ALLL represented 1.78% of total loans and leases at March 31, 2003, 1.81% at December 31, 2002, and 2.09% at the end of the first quarter last year. The decline in the loan loss reserve ratio from 1.81% at the end of last year to 1.78% at March 31, 2003, reflected lower provision expense for automobile leases due to the revised risk management methodology. The period-end ALLL was 239% of NPAs at March 31, 2003, compared with 151% a year ago and 246% at December 31, 2002.

Table 10 reflects the activity in the ALLL for the recent five quarters. The $3.0 million allowance of sold loans in the 2003 first quarter related to the $560 million of automobile loans sold in that quarter, with the $22.3 million of ALLL sold in the year-ago quarter reflecting the $2.5 billion of loans sold in connection with the sale of the Florida banking operations.

<TABLE>
<CAPTION>

TABLE 10 - ALLOWANCE FOR LOAN AND LEASE LOSSES AND RELATED STATISTICS

| | 2003 | 2002 | | | |
|---|---|---|---|---|---|
| (in thousands) | First | Fourth | Third | Second | First |
| <S> | <C> | <C> | <C> | <C> | <C> |
| ALLOWANCE FOR LOAN AND LEASE LOSSES, BEGINNING OF PERIOD | $336,648 | $371,033 | $351,696 | $340,851 | $369,332 |
| Loan and lease losses | (40,265) | (93,890) | (43,748) | (45,728) | (50,986) |
| Recoveries | 7,429 | 10,732 | 9,963 | 8,731 | 8,014 |
| Net loan and lease losses | (32,836) | (83,158) | (33,785) | (36,997) | (42,972) |
| Provision for loan and lease losses | 36,844 | 51,236 | 54,304 | 49,876 | 39,010 |
| Allowance of (sold) purchased loans | (2,981) | --- | 1,264 | --- | (22,297) |
| Allowance of securitized loans | (658) | (2,463) | (2,446) | (2,034) | (2,222) |
| ALLOWANCE FOR LOAN AND LEASE LOSSES, END OF PERIOD | $337,017 | $336,648 | $371,033 | $351,696 | $340,851 |
| Allowance for loan and lease losses as a % of total loans and leases | 1.78% | 1.81% | 2.07% | 2.09% | 2.09% |
| Allowance for loan and lease losses as a % of non-performing loans and leases | 266.1% | 262.9% | 182.4% | 165.8% | 155.3% |
| Allowance for loan and lease losses as | | | | | |

| a % of non-performing assets | 239.5% | 246.2% | 173.3% | 157.5% | 151.1% |
|---|---|---|---|---|---|

</TABLE>

Huntington allocates the ALLL to each loan and lease category based on an expected loss ratio determined by continuous assessment of credit quality based on portfolio risk characteristics and other relevant factors such as historical performance, significant acquisitions and dispositions of loans, and internal controls. For the commercial and commercial real estate credits, expected loss factors are assigned by credit grade at the individual loan and lease level at the time the loan or lease is originated. On a periodic basis, management reevaluates these credit grades. The aggregation of these factors represents management's estimate of the inherent loss in the portfolio.



The portion of the allowance allocated to the more homogeneous consumer loan and lease segments is determined by expected loss ratios based on the risk characteristics of the various segments and giving consideration to existing economic conditions and trends. Expected loss ratios incorporate factors such as trends in past due and non-accrual amounts, recent loan and lease loss experience, current economic conditions, and risk characteristics of various loan and lease categories. Actual loss ratios experienced in the future could vary from those expected, as performance is a function of factors unique to each customer as well as general economic conditions. While amounts are allocated to various portfolio segments, the total ALLL, excluding impairment reserves prescribed under provisions of Statement of Financial Accounting Standard No. 114, is available to absorb losses from any segment of the portfolio.

Unallocated reserves are based on levels of delinquencies in the accruing loan and lease portfolios, the level of non-performing loans and leases, and general economic conditions and volatility. Unallocated reserves were 3% at March 31, 2003. The revisions made by management to its internal risk grading system implemented in the first quarter of 2003 reduced the unallocated portion of the ALLL by more thoroughly allocating the allowance to the various loan and lease categories, primarily commercial and commercial real estate loans.

INTEREST RATE RISK MANAGEMENT

Huntington seeks to minimize earnings volatility by managing the sensitivity of net interest income and the fair value of its net assets to changes in market interest rates. The Board of Directors and the Asset and Liability Management Committee (ALCO) oversee various risks by establishing broad policies and specific operating limits that govern a variety of risks inherent in operations, including liquidity, counterparty credit risk, settlement, and market risks.

Market risk is the potential for declines in the fair value of financial instruments due to changes in interest rates, exchange rates, and equity prices. Interest rate risk is Huntington's primary market risk. It results from timing differences in the repricing and maturity of assets and liabilities and changes in relationships between market interest rates and the yields on assets and rates on liabilities, including the impact of embedded options.

Interest rate risk management is a dynamic process that encompasses new 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 overall balance sheet objectives, management regularly accesses money, bond, futures, and options markets, as well as trading exchanges. In addition, Huntington contracts with dealers in over-the-counter financial instruments for interest rate swaps. ALCO regularly monitors position concentrations and the level of interest rate sensitivity to ensure compliance with approved risk tolerances.

Interest rate risk modeling is performed monthly. An income simulation model is used to measure the sensitivity of forecasted net interest income to changes in market rates over a one-year horizon. Although Bank Owned Life Insurance and automobile operating lease assets are classified as non-interest earning assets, Huntington includes these portfolios in its interest sensitivity analysis because both have attributes similar to fixed-rate interest earning assets. Market value risk (referred to as Economic Value of Equity or EVE) is measured using a static balance sheet. The models used for these measurements take into account prepayment speeds on mortgage loans, mortgage-backed securities, and consumer installment loans, as well as cash flows of other loans and deposits. Balance sheet growth assumptions are also considered in the income simulation model. Moreover, the models incorporate the effects of embedded options, such as interest rate caps, floors, and call options, and account for changes in relationships among interest rates.

The baseline scenario for the income simulation, with which all others are compared, is based on market interest rates implied by the prevailing yield curve. Alternative market rate scenarios are then employed to determine their

impact on the baseline scenario. These alternative market rate scenarios include spot rates remaining unchanged for the entire measurement period, parallel rate shifts on both a gradual and immediate basis, as well as movements in rates that alter the shape of the yield curve. Scenarios are also developed to measure basis risk, such as the impact of LIBOR-based rates rising or falling faster than the prime rate.

When evaluating short-term interest rate risk exposure, management uses, for its primary measurement, scenarios that model parallel shifts in the yield curve resulting in a gradual 200 basis point increase/decrease in rates over the next twelve-month period. At December 31, 2002, only the 200 basis point increasing parallel shift in the yield curve was reported because a 200 basis point decrease in the interest rate curve was not feasible given the overall low level of interest rates. At March 31, 2003, that scenario modeled net interest income 0.7% lower than the internal forecast of net interest income over the same time period using the current level of forward rates, which remained relatively unchanged from the negative impact to net interest income generated by the same 200 basis point scenario at the end of 2002. Management believes further



declines in market rates would put modest downward pressure on net interest income, resulting from the implicit pricing floors in non-maturity deposits.

The net interest margin has been adversely impacted in recent months by: (1) fixed-rate consumer loan repayments being reinvested at lower market rates; (2) high repayments of residential mortgage loans and mortgage-backed securities; (3) the implicit floors in retail deposits as rates declined to historically low levels; (4) the rapid growth of lower-yielding residential adjustable-rate mortgage loans retained on the balance sheet; (5) the lower yield on the higher quality automobile loan originations, and; (6) the flattening of the yield curve. The net interest margin will continue to be adversely affected by these factors over the next few quarters.

The primary measurement for EVE risk assumes an immediate and parallel increase in rates of 200 basis points. At March 31, 2003, the model indicated that such an increase in rates would be expected to reduce the EVE by 2.7% and compares with an estimated negative impact of 3.8% at December 31, 2002.

The model is a useful but simplified representation of Huntington's underlying interest rate risk profile. Simulations reflect choices of statistical techniques, functional forms, model parameters, and numerous other assumptions. Nonetheless, experience has demonstrated and management believes that these models provide reliable guidance for measuring and managing interest rate sensitivity.

LIQUIDITY

Effectively managing liquidity involves meeting the cash flow requirements of depositors and borrowers, as well as satisfying the operating cash needs of the organization to fund corporate expansion and other activities. ALCO establishes guidelines and regularly monitors the overall liquidity position of the business and ensures that various alternative strategies exist to cover unanticipated events. Furthermore, ALCO policies and/or guidelines ensure that wholesale funding sources are diversified in order to avoid concentration in any one market source. Management believes sufficient liquidity was available at the end of the recent quarter to meet estimated funding needs of the Bank and parent company.

Deposits are Huntington's primary source of funding, of which 87% were provided by the Regional Banking segment. Table 11 details the types and sources of deposits by business segment at March 31, 2003, and compares these balances by type and source to balances at December 31, 2002 and March 31, 2002:



TABLE 11 - DEPOSIT LIABILITIES
<TABLE>
<CAPTION>

| (in millions of dollars) | March 31, 2003 | | December 31, 2002 | | March 31, 2002 | |
|---|---|---|---|---|---|---|
| BY TYPE | Balance | % | Balance | % | Balance | % |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Demand deposits | | | | | | |
| Non-interest bearing | $ 2,971 | 16.8 | $ 3,074 | 17.6 | $ 2,857 | 17.6 |
| Interest bearing | 5,850 | 33.1 | 5,374 | 30.7 | 4,747 | 29.2 |
| Savings deposits | 2,981 | 16.9 | 2,851 | 16.3 | 2,896 | 17.8 |
| Other domestic time deposits | 3,523 | 19.9 | 3,956 | 22.6 | 4,180 | 25.7 |
| Total Core Deposits | 15,325 | 86.7 | 15,255 | 87.2 | 14,680 | 90.3 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Domestic time deposits of $100,000 or more | 798 | 4.5 | 732 | 4.2 | 896 | 5.5 |
| Brokered and negotiable CDs | 1,208 | 6.8 | 1,093 | 6.2 | 451 | 2.8 |
| Foreign time deposits | 358 | 2.0 | 419 | 2.4 | 240 | 1.4 |
| TOTAL DEPOSITS | $17,689 | 100.0 | $17,499 | 100.0 | $16,267 | 100.0 |
| BY BUSINESS SEGMENT | | | | | | |
| Regional Banking | | | | | | |
| Central Ohio/West Virginia | $ 5,386 | 30.4 | $ 5,361 | 30.6 | $ 5,453 | 33.5 |
| Northern Ohio | 3,536 | 20.0 | 3,602 | 20.6 | 3,265 | 20.1 |
| Southern Ohio/Kentucky | 1,337 | 7.6 | 1,365 | 7.8 | 1,336 | 8.2 |
| West Michigan | 2,513 | 14.2 | 2,402 | 13.7 | 2,510 | 15.4 |
| East Michigan | 2,008 | 11.4 | 1,962 | 11.2 | 1,909 | 11.7 |
| Indiana | 623 | 3.5 | 613 | 3.5 | 563 | 3.5 |
| Total Regional Banking | 15,403 | 87.1 | 15,305 | 87.4 | 15,036 | 92.4 |
| Dealer Sales | 67 | 0.4 | 59 | 0.3 | 51 | 0.3 |
| Private Financial Group | 959 | 5.4 | 924 | 5.3 | 727 | 4.5 |
| Treasury / Other | 1,260 | 7.1 | 1,211 | 7.0 | 453 | 2.8 |
| TOTAL DEPOSITS | $17,689 | 100.0 | $17,499 | 100.0 | $16,267 | 100.0 |

</TABLE>

Core deposits, which include non-interest bearing and interest bearing demand deposits, savings accounts, and other domestic time deposits, including certificates of deposit under $100,000 and IRAs, satisfy 86.7% of Huntington's funding needs. Sources of wholesale funding include Federal funds purchased, securities sold under repurchase agreement, brokered CDs, and medium- and long-term debt. Wholesale funding activities are governed by the Bank's ALCO, which establishes policies and guidelines to diversify funding sources and avoid borrowing concentrations from any one market source.

Other sources of liquidity include the sale of investment securities, the sale or securitization of loans, collateralized borrowings such as Federal Home Loan Bank advances, and the issuance of common and preferred securities in the capital markets. Huntington also has available a $6.0 billion domestic bank note program through its bank subsidiary, Huntington National Bank, of which $5.1 billion was available at March 31, 2003. In addition, the Bank shares a $2.0 billion Euronote program with the parent company, of which $1.2 billion was available on March 31, 2003. Also, the parent company has $295 million availability under a $750 million medium term note program as of the same date.

CAPITAL

Capital is managed at each legal subsidiary based upon the respective risks and growth opportunities, as well as regulatory requirements. 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. The importance of managing capital is also recognized and management continually strives to maintain an appropriate balance between capital adequacy and returns to shareholders.

Shareholder's equity declined $34 million during the first quarter of 2003 from the end of 2002, and $190 million from March 31, 2002. The primary driver of these declines was the repurchase of 4.3 million common shares at a value of $79.1 million. The 4.3 million shares repurchased consisted of 0.2 million under the February 2002 authorization, subsequently cancelled, plus 4.1 million under the existing January 2003 authorization.



In February 2002, the Board of Directors authorized a share repurchase program for up to 22 million shares and canceled the previously existing authorization. Under this authorization a total of 19.4 million shares were repurchased: 19.2 million in 2002, including 1.5 million shares purchased in the year-ago quarter, and 0.2 million in the 2003 first quarter. In mid-January 2003, the Board of Directors authorized a new share repurchase program, canceling the 2.6 million shares remaining under the February 2002 authorization, and approved a new share repurchase authorization for up to 8 million shares. Under this authorization 4.1 million shares were repurchased in the 2003 first quarter, leaving 3.9 million shares remaining for repurchase.

The ratio of average equity to average assets in the first quarter of 2003 was 8.17% versus 8.97% last year. Tangible period-end equity to period-end assets, which excludes intangible assets, was 7.36% at the end of March 2003, down significantly from 9.11% a year earlier. The high year-ago tangible equity to asset ratio in the year-ago quarter reflected the capital generated from the sale of the Florida operations. The decline in the tangible equity to asset ratio from the year-ago quarter reflected the subsequent share repurchase

program activity. Given the current asset mix and risk profile, management has a longer-term targeted tangible equity to asset ratio of 7.00%.

Risk-based capital guidelines established by the Federal Reserve Board set minimum capital requirements and require institutions to calculate risk-based capital ratios by assigning risk weightings to assets and off-balance sheet items, such as interest rate swaps, loan commitments, and securitizations. These guidelines further define "well-capitalized" levels for Tier 1, total capital, and leverage ratio purposes at 6%, 10%, and 5%, respectively. Huntington's Tier 1 risk-based capital ratio, total risk-based capital ratio, leverage ratio, risk-adjusted assets, and its tangible equity to assets ratio for the recent five quarters are shown in Table 12:

TABLE 12 - CAPITAL DATA

| | 2003 | 2002 | | | |
|---|---|---|---|---|---|
| (in millions) | First | Fourth | Third | Second | First |
| Total risk-adjusted assets | $27,316 | $27,215 | $26,341 | $25,317 | $24,974 |
| Tier 1 risk-based capital ratio | 8.54% | 8.65% | 9.13% | 9.74% | 10.30% |
| Total risk-based capital ratio | 11.42% | 11.54% | 12.09% | 12.76% | 13.43% |
| Tier 1 leverage ratio | 8.58% | 8.85% | 9.41% | 9.95% | 9.76% |
| Tangible equity / asset ratio | 7.36% | 7.58% | 7.99% | 8.52% | 9.11% |

As Huntington is supervised and regulated by the Federal Reserve, The Huntington National Bank, Huntington's bank subsidiary, is supervised and regulated by the Office of the Comptroller of the Currency, which establishes similar regulatory capital guidelines for banks. The Bank also had regulatory capital ratios in excess of the levels established for well-capitalized institutions.

Table 13 details the cash dividends that were declared in the first quarter 2003 and four prior quarters along with common stock prices (based on NASDAQ intra-day and closing stock price quotes):

TABLE 13 - QUARTERLY STOCK SUMMARY

| | 2003 | 2002 | | | |
|---|---|---|---|---|---|
| | First | Fourth | Third | Second | First |
| High | $19.800 | $19.980 | $20.430 | $21.770 | $20.310 |
| Low | 17.780 | 16.160 | 16.000 | 18.590 | 16.660 |
| Close | 18.590 | 18.710 | 18.190 | 19.420 | 19.700 |
| Average daily closing price | 18.876 | 18.769 | 19.142 | 20.089 | 18.332 |
| Cash dividends declared | $ 0.16 | $ 0.16 | $ 0.16 | $ 0.16 | $ 0.16 |



LINES OF BUSINESS DISCUSSION

Below is a brief description of each line of business and a discussion of business segment results for the quarters ending March 31, 2003 and 2002. Regional Banking, Dealer Sales, and the Private Financial Group are the major business lines. The fourth segment includes the impact of the Treasury function and other unallocated assets, liabilities, revenue, and expense.

For analytical purposes in understanding performance trends, strategic decision making, determining incentive compensation, and evaluating line of business performance, chief decision-makers review and analyze certain data on an "operating basis", which excludes the impact of restructuring charges and other items, as well as the results of operations from the Florida banking and insurance operations sold in 2002. Since the items excluded are associated with exited businesses and/or restructurings that have been completed and no longer contribute to current or future period performance, management believes their exclusion for analytical purposes provides a clearer picture of underlying performance trends, as well as progress made in improving the company's financial performance.

See Operating Basis discussion on page 41, and Tables 18 and 19 for further discussion, as well as Note 11 beginning on page 15 for a reconciliation of line of business results on an operating basis, to a GAAP basis.

REGIONAL BANKING

Regional Banking provides products and services to retail, business banking, and commercial customers. This segment's products include home equity loans, first mortgage loans, direct installment loans, business loans, personal and business deposit products, as well as sales of investment and insurance services. These products and services are offered in six operating regions within the five states of Ohio, Michigan, Indiana, West Virginia, and Kentucky through Huntington's traditional banking network, Direct Bank--Huntington's customer service center, and Web Bank at www.huntington.com. Regional Banking also represents middle-market and large commercial banking relationships which use a variety of banking products and services including, but not limited to, commercial loans, international trade, and cash management.

TABLE 14 - REGIONAL BANKING

| (in thousands of dollars) | THREE MONTHS ENDED MARCH 31, 2003 | 2002 |
|---|---|---|
| Net interest income | $148,542 | $144,693 |
| Provision for loan and lease losses | 23,542 | 23,276 |
| Non-interest income | 75,361 | 71,218 |
| Non-interest expense | 144,989 | 133,221 |
| Income before taxes | 55,372 | 59,414 |
| Income taxes | 19,381 | 20,886 |
| Operating income | $ 35,991 | $ 38,528 |

Regional Banking operating income in the first quarter of 2003 was $36.0 million, compared with $38.5 million for the same quarter a year ago. Increased revenue resulting from balance sheet growth and fee-based revenue was more than offset by higher expenses.

Net interest income was up $3.8 million, or 3%. The improvement in 2003 net interest income was attributed to a 7% growth in loans and leases, a 9% growth in loan fees and a 2% increase in deposits. The favorable impact of higher deposit balances was offset by declining funding rates paid on deposits.

The average loan and lease balances increase of 7% in 2003 reflected an increase in consumer loans of 22%, which was partially offset by a 1% decline in commercial average balances. Average residential mortgage loans and home equity loans and lines of credit increased 56% and 23%, respectively, from the year-ago quarter, reflecting strong growth in the mortgage refinance business. Average total deposits were up $682 million in the current quarter, or 5%, from the 2002 first quarter. Total deposits (excluding time) grew at a rate of 14% over prior year quarter and 3% over the fourth quarter of 2002.



The provision for loan and lease losses for the first quarter of 2003 increased $0.3 million, or 1%, over the same quarter last year. This increase reflected loan growth, which was partially offset by a decline in net charge-offs. Net charge-offs in the first quarter of 2003 were $20.4 million compared to $24.4 million for the prior year's first quarter.

Non-interest income for the recent three months was up $4.1 million, or 6%, from the first quarter of last year. Increased fee-based revenue was driven by deposit service charges, electronic banking, and partnership fee sharing revenue. These increases were partially offset by declines in mortgage banking income attributed to higher amortization of mortgage servicing rights, and lower standby letters of credit fee income. The decline in standby letters of credit was due to the adoption of FASB Interpretation No. 45.

Non-interest expense for the 2003 first quarter increased $11.8 million, or 9%, from the 2002 first quarter. This increase was driven primarily by higher salaries and benefits, occupancy, and equipment expenses. Increased salaries and benefits reflect investment in the line's management team and increases in performance-based incentive compensation. Partially offsetting these increases were decreases in marketing and a 33% decline in operating losses.

Regional Banking contributed 47% of total revenues and 41% of net income in the first quarter of 2003 and represented 51% of total assets and 87% of total

deposits at March 31, 2003.

DEALER SALES

Dealer Sales serves automotive dealerships within Huntington's primary banking markets, as well as in Arizona, Florida, Georgia, Pennsylvania, and Tennessee. This segment finances the purchase of automobiles by customers of the automotive dealerships, purchases automobiles from dealers and simultaneously leases the automobile under long-term operating and direct financing leases, finances the dealership's inventory of automobiles, and provides other banking services to the automotive dealerships and their owners.

TABLE 15 - DEALER SALES

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| (in thousands of dollars) | 2003 | 2002 |
| Net interest income | $ 23,067 | $ (7,210) |
| Provision for loan and lease losses | 11,389 | 8,961 |
| Non-interest income | 149,655 | 180,218 |
| Non-interest expense | 135,279 | 161,236 |
| Income before taxes | 26,054 | 2,811 |
| Income taxes | 9,119 | 984 |
| Operating income | $ 16,935 | $ 1,827 |

Dealer Sales operating income was $16.9 million in the first quarter of 2003, compared to $1.8 million for the year-ago quarter. This increase was attributed to growth in the auto loan and lease portfolios.

Dealer Sales financial results are significantly impacted by accounting for automobile leases. As discussed in Note 3 to Huntington's unaudited consolidated financial statements, leases originated prior to May 2002 are accounted for as operating leases, and leases originated since April 2002 are accounted for as direct financing leases. Therefore, for automobile leases originated prior to May 2002, the related financial results are reported in non-interest income and non-interest expense, and there were no loan loss provisions. Net interest income was negative for the Dealer Sales line of business during these periods since the cost of funding these leases was included in interest expense while the related revenue was not shown in interest income. Since April 2002, revenue from new direct financing lease originations is reported in interest income and loan and lease loss provision is recorded in order to maintain the appropriate level of reserve for loan and lease losses. Non-interest income and non-interest expense will continue to trend lower in subsequent periods since new leases are not treated as operating leases, and will continue to run-off. As a result, non-interest income and expense will continue to decline, while net interest income and provision for loan and lease losses will increase. Huntington expects net interest income for the Dealer Sales line of business to be positive in future periods.

Dealer Sales increased its loan and lease average outstandings from $2.8 billion in the first quarter of 2002 to $4.1 billion in the first quarter of 2003, reflecting higher loan and direct financing lease origination volume that totaled $1.0 billion in the 2003 first quarter compared with $0.5 billion for the same period a year ago. Over the same period, operating lease assets declined from $3.0 billion to $2.1 billion.



Dealer Sales contributed 36% of total revenue and 19% of net income and represented 25% of total assets at March 31, 2003.

PRIVATE FINANCIAL GROUP (PFG)

PFG provides products and services designed to meet the needs of Huntington's higher wealth customers. Revenue is derived through the sale of personal trust, asset management, investment advisory, brokerage, insurance, and deposit and loan products and services. Income and related expenses from the sale of brokerage and insurance products is shared with the line of business that generated the sale or provided the customer referral.

TABLE 16 - PRIVATE FINANCIAL GROUP

| (in thousands of dollars) | THREE MONTHS ENDED MARCH 31, 2003 | 2002 |
|---|---|---|
| Net interest income | $ 9,516 | $ 7,777 |
| Provision for loan losses | 1,913 | 1,587 |
| Non-interest income | 27,210 | 30,036 |
| Non-interest expense | 26,616 | 24,200 |
| Income before taxes | 8,197 | 12,026 |
| Income taxes | 2,869 | 4,329 |
| Operating income | $ 5,328 | $ 7,697 |

PFG operating income in the first quarter of 2003 was $5.3 million, which represented a 31% decline from the first quarter of 2002, most of which was due to a change in methodology in revenue sharing on investment product sales which resulted in an additional $1.6 million in brokerage revenue shared with Regional Banking. Application of the same methodology used in the first quarter 2002 to the 2003 first quarter would have increased first quarter 2003 operating income to $6.4 million, which would have represented a 17% decrease from the first quarter 2002.

Net interest income increased $1.7 million, or 22%, from the year-ago quarter as average loan balances increased 42%, to $1.1 billion, and average deposit balances increased 30% to $887 million. Most of the loan growth occurred in personal credit lines and residential real estate loans largely due to the favorable mortgage rate environment. Most of the deposit growth occurred in the personal management accounts, which resulted from a combination of new business and a customer shift in sweep options from the Huntington Funds money market funds to money market deposit accounts, and growth in the premier money market account due to favorable rate offerings. The significant growth in loans more than offset margin erosion from declining market interest rates.

Provision for loan losses was $1.9 million for the current quarter compared with $1.6 million for the same period a year ago. Net charge-offs were $0.5 million for the first three months of 2003 versus no net charge-offs for last year's first quarter.

Non-interest income decreased $2.8 million, or 9%, from the year-ago quarter. The decrease resulted primarily from $0.3 million in higher brokerage revenue and $0.3 million in higher insurance revenue. Before revenue sharing, total brokerage revenue increased by $1.9 million, or 20%, as a result of record annuity sales of $174 million in the 2003 first quarter. The increase in insurance revenue resulted mainly from an increase in title insurance revenue reflective of increased customer mortgage loan refinancing. Trust revenue increased $0.1 million, or 1%, reflecting revenue resulting from the Haberer acquisition in the year-ago second quarter, mostly offset by a 5% revenue decline due to reduced asset values reflective of the stock market decline.

Non-interest expense increased $2.4 million, or 10%, from the year-ago quarter primarily due to increased personnel expense of $3.4 million. The increased personnel expense included the impact of the 2002 second quarter Haberer acquisition and an increase in the number of private banking and investment sales associates, which helped produce higher loans and leases, deposits and annuity sales volume.

PFG contributed 8% of total revenues and 6% of net income in the first quarter of 2003 and represented 5% of both total assets and total deposits at March 31, 2003.



TREASURY / OTHER

The Treasury / Other segment includes assets, liabilities, equity, revenue, and expense not directly assigned or allocated to one of the lines of business. Since a match-funded transfer pricing system is used to allocate interest income and interest expense to other business segments, Treasury / Other results include the net impact of any over or under allocations arising from centralized management of interest rate risk including the net impact of derivatives used to hedge interest rate sensitivity. Furthermore, this segment's results include the net impact of administering Huntington's investment securities portfolio as part of overall liquidity management. Additionally, amortization expense of intangible assets and gains or losses not allocated to other business segments are also a component.

TABLE 17 - TREASURY / OTHER

| (in thousands of dollars) | THREE MONTHS ENDED MARCH 31, 2003 | 2002 |
|---|---|---|
| Net interest income | $31,504 | $29,447 |
| Provision for loan losses | --- | --- |
| Non-interest income | 15,329 | 11,651 |
| Non-interest expense | 15,601 | 13,498 |
| Income before taxes | 31,232 | 27,600 |
| Income taxes | 654 | 725 |
| Operating income | $30,578 | $26,875 |

Treasury / Other's operating income was $30.6 million in the first quarter of 2003, up from last year's first quarter of $26.9 million. Net interest income rose $2.1 million largely due to offsetting items within Treasury. Declining interest rates caused a substantial decline in the cost of funds charged on loans and leases and investments, which was offset by a corresponding decline in the funding credit paid to deposit providers, most notably Regional Banking. A one-time transfer pricing charge was made to the indirect auto line of business for the early termination of funding related to the aforementioned March 2003 sale of automobile loans.

Non-interest income for 2003 first quarter was $15.3 million compared with $11.7 million for the same period last year. Non-interest expense for the current quarter increased $2.1 million from the 2002 first quarter. This increase reflected slightly higher personnel costs.

Income tax expense for each of the other business segments is calculated at a statutory 35% tax rate. However, Huntington's overall effective tax rate was lower and, as a result, Treasury / Other reflected the reconciling items to the statutory tax rate in its income taxes.



OPERATING BASIS - 2002 FIRST QUARTER RECONCILIATION TO GAAP RESULTS

Results in the 2002 first quarter were impacted by a number of items related to Huntington's strategic initiatives announced in July 2001, primarily the plan to sell the Florida banking and insurance operations. The sale of the Florida banking operations, which included 143 banking offices, 456 ATMs and $2.5 billion in loans and other tangible assets and $4.8 billion in deposits and other liabilities, was completed on February 15, 2002. The year-ago quarter's results included a gain from the sale of the Florida banking operations, operating results from the Florida banking operations through its sale in mid-February, as well as restructuring charges. The sale of the J. Rolfe Davis Insurance Agency, Inc., Huntington's Florida-based insurance operations, was completed on July 2, 2002. As such, the year-ago quarter represented the last full quarter's worth of non-interest income and non-interest expense associated with this business. The financial impact on 2002 first quarter results included:

- Items related to the sold Florida banking operations

  $175.3 million pre-tax gain ($56.7 million after tax, or $0.23 per common share) from the sale

  $4.1 million pre-tax loss from operations ($2.7 after tax loss, or $0.01 loss per common share)

  $1.4 billion reduction in average loans in the quarter from the loans sold

  $2.4 billion reduction in average deposits in the quarter from the deposits sold

- Items related to the sold Florida insurance operations

  $3.5 million pre-tax of non-interest income

  $2.6 million pre-tax of non-interest expense

- $56.2 million pre-tax ($36.5 million after tax, or $0.14 per common share) in restructuring charges

Since these items are associated with exited businesses and/or restructurings that have been completed and no longer contribute to current or future period financial performance, management believes that excluding their impact from the year-ago quarter provides a clearer picture of underlying performance and trends, as well as the progress made in improving financial performance. Financial performance in the year-ago quarter that excludes the impact of these items from GAAP results is referred to as performance on an "operating basis". It is on this operating basis that management evaluates performance and analyzes certain data, including Line of Business performance, for making strategic decisions and determining incentive compensation.

Please refer to Table 18 for a reconciliation of 2002 first quarter performance on a GAAP basis to an operating basis for selected income statement data and performance ratios, and to Table 19 for a similar reconciliation for selected average balance sheet items. Also, please refer to Huntington's amended 2002 Annual Report for further detailed discussion of the impact of the 2001 strategic refocusing plan.



TABLE 18 - SELECTED 2002 FIRST QUARTER INCOME STATEMENT DATA - RECONCILIATION OF GAAP TO OPERATING BASIS

<TABLE>
<CAPTION>

| (in thousands, except per share amounts) | THREE MONTHS ENDED MARCH 31, 2002 | | |
|---|---|---|---|
| | GAAP BASIS | SOLD FLORIDA OPERATIONS & OTHER ITEMS(1) | OPERATING BASIS |
| <S> | <C> | <C> | <C> |
| Net Interest Income | $184,431 | $ 9,724 | $174,707 |
| Provision for loan and lease losses | 39,010 | 5,186 | 33,824 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES | 145,421 | 4,538 | 140,883 |
| Operating lease income | 175,906 | --- | 175,906 |
| Service charges on deposit accounts | 38,530 | 4,248 | 34,282 |
| Brokerage and insurance income | 17,605 | 4,205 | 13,400 |
| Trust services | 15,501 | 405 | 15,096 |
| Mortgage banking | 19,565 | (79) | 19,644 |
| Bank Owned Life Insurance income | 11,676 | --- | 11,676 |
| Other service charges and fees | 10,632 | 1,514 | 9,118 |
| Gain on sale of Florida operations | 175,344 | 175,344 | --- |
| Securities gains | 457 | --- | 457 |
| Other | 13,884 | 340 | 13,544 |
| TOTAL NON-INTEREST INCOME | 479,100 | 185,977 | 293,123 |
| Operating lease expense | 140,785 | --- | 140,785 |
| Personnel costs | 114,285 | 9,965 | 104,320 |
| Net occupancy | 17,239 | 2,468 | 14,771 |
| Outside data processing and other services | 18,439 | 1,342 | 17,097 |
| Equipment | 16,949 | 1,367 | 15,582 |
| Marketing | 7,003 | (171) | 7,174 |
| Professional services | 5,401 | 159 | 5,242 |
| Telecommunications | 6,018 | 736 | 5,282 |
| Printing and supplies | 3,837 | 318 | 3,519 |
| Restructuring charges | 56,184 | 56,184 | --- |
| Other | 20,534 | 2,151 | 18,383 |
| TOTAL NON-INTEREST EXPENSE | 406,674 | 74,519 | 332,155 |
| INCOME BEFORE INCOME TAXES | 217,847 | 115,996 | 101,851 |
| Income taxes | 124,706 | 97,782 | 26,924 |
| NET INCOME | $ 93,141 | $ 18,214 | $ 74,927 |
| NET INCOME PER COMMON SHARE - DILUTED | $ 0.37 | $ 0.07 | $ 0.30 |
| Return on average total assets | 1.42% | | 1.22% |
| Return on average total shareholders' equity | 15.8 | | 12.7 |
| Net interest margin(2) | 3.63 | | 3.69 |
| Efficiency ratio(3) | 71.4 | | 70.8 |
| Effective tax rate | 57.2 | | 26.4 |
| Net Interest Income | $184,431 | $ 9,724 | $174,707 |
| Tax Equivalent Adjustment(2) | 1,169 | --- | 1,169 |
| Net Interest Income - FTE | 185,600 | 9,724 | 175,876 |
| Non-Interest Income | 479,100 | 185,977 | 293,123 |
| TOTAL REVENUE - FTE | $664,700 | $195,701 | $468,999 |
| TOTAL REVENUE - FTE EXCLUDING SECURITIES GAINS | $664,243 | $195,701 | $468,542 |

</TABLE>

(1) See "Operating Basis - 2002 First Quarter Reconciliation to GAAP Results" discussion on page 41 for details.
(2) Calculated assuming a 35% tax rate.
(3) Non-interest expense excluding restructuring charges, divided by fully taxable equivalent revenue less securities gains and significant non-operating gains.



TABLE 19 - SELECTED 2002 FIRST QUARTER AVERAGE BALANCE SHEET DATA - RECONCILIATION OF GAAP TO OPERATING BASIS

<TABLE>
<CAPTION>

| (in millions) | THREE MONTHS ENDED MARCH 31, 2002 | | |
|---|---|---|---|
| | GAAP BASIS | SOLD FLORIDA OPERATIONS & OTHER ITEMS(1) | OPERATING BASIS |
| <S> | <C> | <C> | <C> |
| SELECTED ASSETS | | | |
| Interest bearing deposits in banks | $ 34 | $ - | $ 34 |
| Trading account securities | 5 | --- | 5 |
| Federal funds sold and securities purchased under resale agreements | 62 | --- | 62 |
| Mortgages held for sale | 381 | --- | 381 |
| Securities: | | | |
| Taxable | 2,713 | --- | 2,713 |
| Tax exempt | 101 | (1) | 102 |
| TOTAL SECURITIES | 2,814 | (1) | 2,815 |
| Loans and leases:(2) | | | |
| Commercial | 6,045 | 384 | 5,661 |
| Real Estate | | | |
| Construction | 1,291 | 50 | 1,241 |
| Commercial | 2,364 | 168 | 2,196 |
| Total commercial real estate | 3,655 | 218 | 3,437 |
| Consumer | | | |
| Automobile loans and leases | 2,822 | 171 | 2,651 |
| Home equity | 3,209 | 421 | 2,788 |
| Residential mortgage | 1,185 | 117 | 1,068 |
| Other loans | 482 | 58 | 424 |
| Total Consumer | 7,698 | 767 | 6,931 |
| TOTAL LOANS AND LEASES | 17,398 | 1,369 | 16,029 |
| ALLOWANCE FOR LOAN AND LEASE LOSSES | 371 | 11 | 360 |
| Net loans and leases | 17,027 | 1,358 | 15,669 |
| TOTAL EARNING ASSETS | 20,694 | 1,368 | 19,326 |
| Operating lease assets | 3,041 | --- | 3,041 |
| DEPOSITS | | | |
| Core deposits | | | |
| Non-interest bearing deposits | $ 3,041 | $ 303 | $ 2,738 |
| Interest bearing demand deposits | 5,148 | 786 | 4,362 |
| Savings deposits | 3,097 | 267 | 2,830 |
| Other domestic time deposits | 5,015 | 918 | 4,097 |
| TOTAL CORE DEPOSITS | 16,301 | 2,274 | 14,027 |
| Domestic time deposits of $100,000 or more | 1,052 | 93 | 959 |
| Brokered time deposits and negotiable CDs | 302 | 0 | 302 |
| Foreign time deposits | 270 | 2 | 268 |
| TOTAL DEPOSITS | $17,925 | $2,369 | $15,556 |

</TABLE>

(1) See "Operating Basis - 2002 First Quarter Reconciliation to GAAP Results" discussion on page 41 for details.
(2) Individual loan and lease components include applicable fees.



ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures for the current period are found

beginning on page 33 of this report, which includes changes in market risk exposures from disclosures presented in Huntington's amended 2002 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

On May 19, 2003, Huntington carried out an evaluation, under the supervision and with the participation of its management, including the Chief Executive Officer (CEO) along with the Chief Financial Officer (CFO), of the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, the CEO along with the CFO concluded that Huntington's disclosure controls and procedures are effective in timely alerting the CEO and CFO to material information relating to Huntington (including its consolidated subsidiaries) required to be included in its periodic SEC filings.

There have been no significant changes in Huntington's internal controls or in other factors that could significantly affect its internal controls subsequent to the date it carried out this evaluation.

PART II. OTHER INFORMATION

In accordance with the instructions to Part II, the other specified items in this part have been omitted because they are not applicable or the information has been previously reported.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

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

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

(ii). Amended and Restated Bylaws as of July 16, 2002 - previously filed as Exhibit 3(ii) to Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, and incorporated herein by reference.

4. 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, previously filed as exhibit 3(i) to annual report on form 10-K for the year ended December 31, 1993 and exhibit 3(i)(c) to quarterly report on form 10-Q for the quarter ended March 31, 1998, and incorporated herein by reference. Also, reference is made to Rights Plan, dated February 22, 1990, previously



filed as Exhibit 1 to Registration Statement on Form 8-A, and incorporated herein by reference and to Amendment No. 1 to the Rights Agreement, dated as of August 16, 1995, previously filed as Exhibit 4(b) to Form 8-K filed with the Securities and Exchange Commission on August 28, 1995, and incorporated herein by reference. Instruments defining the rights of holders of long-term debt will be furnished to the Securities and Exchange Commission upon request.

10. Material contracts:

(a)* Amended and Restated Executive Deferred Compensation Plan for Huntington Bancshares Incorporated

99.1. Earnings to Fixed Charges

99.2 Chief Executive Officer Certification

99.3 Chief Financial Officer Certification

(b) Reports on Form 8-K

1. A report on Form 8-K, dated January 7, 2003, was filed under report item numbers 5 and 7, announcing credit actions taken in the fourth quarter of 2002. These included the sale of $47 million in non-performing loans with $21 million in incremental charge-offs and a $30 million charge-off, or 100% of the credit

exposure associated with one customer in the health care finance business that was previously disclosed as a non-performing loan in November 2002.

2. A report on Form 8-K, dated January 16, 2003, was filed under report item numbers 5 and 7, concerning Huntington's results of operations for the fourth quarter and year ended December 31, 2002.

* Denotes management contract or compensatory plan or arrangement.



SIGNATURES

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

Huntington Bancshares Incorporated
(Registrant)

Date: May 20, 2003

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

Date: May 20, 2003

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



CERTIFICATION

I, Thomas E. Hoaglin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Huntington Bancshares Incorporated;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 20, 2003

/s/ Thomas E. Hoaglin

Thomas E. Hoaglin
Chief Executive Officer



CERTIFICATION

I, Michael J. McMennamin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Huntington Bancshares Incorporated;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in

this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 20, 2003

/s/ Michael J. McMennamin

Michael J. McMennamin
Chief Financial Officer

EXHIBIT 10 (A)

OCTOBER 9, 2002

EXECUTIVE DEFERRED COMPENSATION PLAN

OF

HUNTINGTON BANCSHARES INCORPORATED

EFFECTIVE OCTOBER 1, 2001

AMENDED AND RESTATED OCTOBER 1, 2002
EXECUTIVE DEFERRED COMPENSATION PLAN
OF HUNTINGTON BANCSHARES INCORPORATED

TABLE OF CONTENTS

<TABLE>
<CAPTION>

PAGE

----
<S>
<C>

ARTICLE 1 - DEFINITIONS

| | | PAGE |
|---|---|---|
| 1.01 | Accounts................................................................................ | 1 |
| 1.02 | Beneficiary............................................................................. | 1 |
| 1.03 | Bonus................................................................................... | 1 |
| 1.04 | Bonus Deferral Agreement................................................................ | 1 |
| 1.05 | Bonus Deferrals......................................................................... | 1 |
| 1.06 | Cash Deferral Account................................................................... | 2 |
| 1.07 | Change in Control....................................................................... | 2 |
| 1.08 | Code.................................................................................... | 2 |
| 1.09 | Common Stock............................................................................ | 2 |
| 1.10 | Common Stock Deferral Account........................................................... | 2 |
| 1.11 | Compensation............................................................................ | 2 |
| 1.12 | Compensation Committee.................................................................. | 2 |
| 1.13 | Corporation............................................................................. | 3 |
| 1.14 | Deferrals............................................................................... | 3 |
| 1.15 | Distribution Election Form.............................................................. | 3 |
| 1.16 | Effective Date.......................................................................... | 3 |
| 1.17 | Eligible Employee....................................................................... | 3 |
| 1.18 | ERISA................................................................................... | 3 |
| 1.19 | Investment Funds........................................................................ | 3 |
| 1.20 | Long-Term Incentive..................................................................... | 4 |
| 1.21 | Long-Term Incentive Deferral Agreement.................................................. | 4 |
| 1.22 | Long-Term Incentive Deferrals........................................................... | 4 |
| 1.23 | Member.................................................................................. | 4 |
| 1.24 | Net Shares.............................................................................. | 4 |
| 1.25 | Plan.................................................................................... | 4 |
| 1.26 | Plan Year............................................................................... | 5 |
| 1.27 | Restricted Stock Award.................................................................. | 5 |
| 1.28 | Restricted Stock Deferral Agreement..................................................... | 5 |
| 1.29 | Restricted Stock Deferrals.............................................................. | |

5
1.30 Salary Deferral Agreement........................................................................
5
1.31 Salary Deferrals.................................................................................
5
1.32 Stock Option Deferral Account....................................................................
5
1.33 Stock Option Deferral Agreement..................................................................
6
1.34 Stock Option Deferrals...........................................................................
6
1.35 Trust............................................................................................
6
1.36 Valuation Date...................................................................................
6
</TABLE>

EXECUTIVE DEFERRED COMPENSATION PLAN
OF HUNTINGTON BANCSHARES INCORPORATED

TABLE OF CONTENTS

<TABLE>
<CAPTION>

PAGE

----
<S>
<C>
ARTICLE 2 - PARTICIPATION

2.01 Eligibility.....................................................................................
7
2.02 Participation...................................................................................
8

ARTICLE 3 - CONTRIBUTIONS

3.01 Amount of Deferral Contributions................................................................
13
3.02 Stock Option Exercise...........................................................................
15
3.03 Investment of Accounts..........................................................................
16
3.04 Valuation of Accounts...........................................................................
17
3.05 Vesting of Account..............................................................................
18
3.06 Individual Accounting...........................................................................
19

ARTICLE 4 - PAYMENT OF ACCOUNT

4.01 Payment of Accounts.............................................................................
20
4.02 Method of Payment...............................................................................
20
4.03 Hardship Distributions..........................................................................
22
4.04 Other Distributions.............................................................................
22
4.05 Accelerated Tax Distributions...................................................................
23
4.06 Compensation Committee Deferral of Distributions................................................
23
4.07 Death Benefit...................................................................................
23
4.08 Designation of Beneficiary......................................................................
24

ARTICLE 5 - CHANGE IN CONTROL

5.01 Definition of Change in Control.................................................................
25
5.02 Application in Change in Control................................................................
26
5.03 Payments to and by the Trust....................................................................
27
5.04 Legal Fees and Expenses.........................................................................
28
</TABLE>

EXECUTIVE DEFERRED COMPENSATION PLAN
OF HUNTINGTON BANCSHARES INCORPORATED

TABLE OF CONTENTS

<TABLE>

<CAPTION>

PAGE

----
<S>
<C>

ARTICLE 6 - GENERAL PROVISIONS

6.01 Establishment of Rules.......... 29
6.02 Funding.......... 30
6.03 No Contract of Employment.......... 31
6.04 Facility of Payment.......... 31
6.05 Withholding Taxes.......... 32
6.06 Nonalienation.......... 32
6.07 Construction.......... 32
6.08 Limitations on Liability.......... 33
6.09 Administrative Expense.......... 33
6.10 Claims and Review Procedures.......... 33
6.11 Illegal or Invalid Provision.......... 35
6.12 Gender and Number.......... 36
6.13 Successors.......... 36

ARTICLE 7 - AMENDMENT OR TERMINATION.......... 37
</TABLE>

EXECUTIVE DEFERRED COMPENSATION PLAN
OF HUNTINGTON BANCSHARES INCORPORATED

INTRODUCTION

This Executive Deferred Compensation Plan of Huntington Bancshares Incorporated is authorized by the Board of Directors of Huntington Bancshares Incorporated effective on and after October 1, 2001. The purpose of this Plan is to provide a means to defer receipt of compensation and current income tax liability thereon for selected managers and highly compensated employees in addition to the amounts that can be deferred under the Corporation's qualified retirement plan.

This Plan is intended to constitute a nonqualified unfunded deferred compensation plan for a select group of management or highly compensated employees under Title I of the ERISA. All benefits payable under the Plan shall be paid out of the general assets of Huntington Bancshares Incorporated. Huntington Bancshares Incorporated may establish and fund a trust as provided herein in order to aid it in providing benefits due under the Plan.

EXECUTIVE DEFERRED COMPENSATION PLAN
OF HUNTINGTON BANCSHARES INCORPORATED

ARTICLE 1. DEFINITIONS

1.01 "ACCOUNTS" means the device used to measure and determine the amount of deferred compensation to be paid to a Member or Beneficiary under the Plan and may include the Cash Deferral Account, the Common Stock Deferral Account, and the Stock Option Deferral Account.

1.02 "BENEFICIARY" means the individual, trust or other recipient to whom a deceased Member's benefits are payable, as provided in Section 4.07.

1.03 "BONUS" means any annual bonus or other similar bonus payable to an Eligible Employee and any other bonus payable to an Eligible Employee and designated by the Corporation through other program documents or otherwise as eligible for deferral under this Plan.

1.04 "BONUS DEFERRAL AGREEMENT" means the agreement entered into by the Member pursuant to Section 2.02 under which he elects to defer all or a portion of his Bonus under this Plan.

1.05 "BONUS DEFERRALS" means the amount of contributions credited to a Member's Accounts under Section 3.01, with respect to his Bonus.

1.06 "CASH DEFERRAL ACCOUNT" means the account credited with Salary Deferrals, cash Bonus Deferrals and cash Long-Term Incentive Deferrals and the earnings credited to that Account pursuant to Section 3.03.

1.07 "CHANGE IN CONTROL" means the events described in Section 5.01.

1.08 "CODE" means the Internal Revenue Code of 1986, as amended from time to time.

1.09 "COMMON STOCK" means the Huntington Bancshares Incorporated common stock with no par value per share.

1.10 "COMMON STOCK DEFERRED ACCOUNT" means the account credited with Common Stock from deferred Common Stock in relation to Bonus Deferrals, Long-term Incentive Deferrals and Restricted Stock Deferrals and the dividend equivalents with respect to the Common Stock credited to that Account pursuant to Section 3.03.

1.11 "COMPENSATION" means base salary or commissions earned by an Eligible Employee from the Corporation for each payroll period during a Plan Year, including any salary reduction contributions made under any plan maintained by the Corporation pursuant to Sections 401(k), 125 and 132(f) of the Code.

1.12 "COMPENSATION COMMITTEE" means the Compensation and Stock Option Committee of the Board of Directors of the Corporation.

1.13 "CORPORATION" means Huntington Bancshares Incorporated, a Maryland corporation, together with any and all subsidiaries, and any successor thereto as provided in Section 6.13. A subsidiary or subsidiaries means any corporation or other entity whose financial statements are consolidated with the Corporation.



1.14 "DEFERRALS" means collectively the Salary, Bonus, Long-Term Incentive, Restricted Stock and Net Shares, unless indicated otherwise.

1.15 "DISTRIBUTION ELECTION FORM" means the form or forms completed by a Member to elect alternative payment options and/or alternative payout timing.

1.16 "EFFECTIVE DATE" means October 1, 2001.

1.17 "ELIGIBLE EMPLOYEE" means a manager or highly compensated employee of the Corporation who has been selected by the Compensation Committee or its delegate to participate in this Plan as described in Section 2.01.

1.18 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.19 "INVESTMENT FUNDS" mean such investment funds that the Corporation may, in its discretion, make available in determining the earnings (or losses) on a Member's Cash Deferrals.

1.20 "LONG-TERM INCENTIVE" means any long-term award payable to an Eligible Employee by the Corporation and designated by the Corporation through other program documents or otherwise as eligible for deferral under this Plan.

1.21 "LONG-TERM INCENTIVE DEFERRAL AGREEMENT" means the agreement entered into by the



Member pursuant to Section 2.02 under which he elects to defer all or a portion of his Long-Term Incentive under this Plan.

1.22 "LONG-TERM INCENTIVE DEFERRALS" means the amount of contributions credited to a Member's Accounts under Section 3.01, with respect to his Long-Term Incentive.

1.23 "MEMBER" means each Eligible Employee who has made the election described in Section 2.02.

1.24 "NET SHARES" with respect to an election made pursuant to Section 3.02, means the difference between the number of shares of Common Stock subject to the stock option exercise and the number of shares of Common Stock delivered to satisfy the stock option exercise price, less any shares used to satisfy FICA or any other taxes due upon the option exercise as may be designated by the Corporation.

1.25 "PLAN" means the Executive Deferred Compensation Plan of Huntington Bancshares Incorporated.

1.26 "PLAN YEAR" means the twelve (12)-month period beginning on any January 1; the first Plan Year shall begin October 1, 2001 and ends December 31,

2001.

1.27 "RESTRICTED STOCK AWARD" means any restricted stock awards of Common Stock payable to an Eligible Employee by the Corporation and designated by the Corporation through a restricted stock award document or otherwise as eligible for deferral under this Plan.



1.28 "RESTRICTED STOCK DEFERRAL AGREEMENT" means the agreement entered into by the Member pursuant to Section 2.02 under which he elects to defer all or a portion of his Restricted Stock Award under the Plan.

1.29 "RESTRICTED STOCK DEFERRALS" means the amount of contributions credited to a Member's Accounts under Section 3.01, with respect to his Restricted Stock Award.

1.30 "SALARY DEFERRAL AGREEMENT" means the agreement entered into by the Member pursuant to Section 2.02 under which he elects to defer all or a portion of his Compensation under this Plan.

1.31 "SALARY DEFERRALS" means the amount of contributions credited to a Member's Account under Section 3.01, with respect to his Compensation.

1.32 "STOCK OPTION DEFERRAL ACCOUNT" means the account credited with the deferred Net Shares and the dividend equivalents with respect to those Net Shares credited to that Account pursuant to Section 3.03.



1.33 "STOCK OPTION DEFERRAL AGREEMENT" means the agreement entered into by the Member pursuant to Section 2.02 under which he elects to defer all or a portion of his Net Shares under this Plan.

1.34 "STOCK OPTION DEFERRALS" means the amount of contributions credited to a Member's Accounts under Section 3.01, with respect to his Net Shares.

1.35 "TRUST" means the trust that may be established by the Corporation as provided in Section 6.02(b).

1.36 "VALUATION DATE" means the last business day of each calendar month. All distributions under the Plan shall be based upon the value of the Member's Accounts as of the Valuation Date specified in Article 4 with respect to the distribution and shall include any contributions made by a Member, but not yet credited to the Member's Accounts.



ARTICLE 2. PARTICIPATION

2.01 ELIGIBILITY

(a) In addition to a designation of eligibility to participate in this Plan contained in other Corporation programs for its managers and highly compensated employees, the Compensation Committee or its delegate, in its sole discretion, shall select from time-to-time either individually or by class, those managers and highly compensated employees of the Corporation who shall be eligible to participate in this Plan under Section 2.02. The Compensation Committee may select different employees or classes of employees to participate in the various Deferrals. The Compensation Committee shall make its selection from those managers and highly compensated employees who it deems to be in a select group of management or highly compensated employees as defined under Title I of ERISA. Said employees shall be notified of their eligibility for participation in the Plan by the Corporation as soon as practicable after the Compensation Committee has made its selection and, for purposes of authorizing any Deferrals under Section 3.01, in any event prior to the first day of eligibility after said employee is designated an Eligible Employee. An Eligible Employee may become a Member for any or all Deferrals he is eligible for under Section 3.01.

(b) In its sole discretion, the Compensation Committee may withdraw its approval for participation in the Plan for any Member at any time with respect to any future deferral opportunity whether or not a deferral election has been made by the Member. In the event of such withdrawal, the Member with existing Accounts will remain a Member in relation to the right to direct investment and elect distribution options from those Accounts. Such Member shall be notified of such withdrawal in writing as soon as practicable following such action. Notwithstanding the foregoing,



in the event a Change in Control occurs, the Compensation Committee may

not thereafter withdraw its participation approval for any Member.

2.02 PARTICIPATION

(a) INITIAL PLAN YEAR.

(i) SALARY DEFERRALS will be available beginning in 2002 and to be effective must be made by an Eligible Employee by executing and delivering to the Corporation a Salary Deferral Agreement by December 31, 2001. The Salary Deferral Agreement shall apply to Compensation earned by the Eligible Employee in the payroll periods beginning after December 31, 2001.

(ii) An election to become a Member and authorize a BONUS DEFERRAL to be effective for a 2001 Bonus (payable in 2002) must be made by an Eligible Employee, by executing and delivering to the Corporation, an irrevocable Bonus Deferral Agreement by December 31, 2001.

(iii) An election to become a Member and authorize a LONG-TERM INCENTIVE DEFERRAL to be effective for cycle eight (8) payments ending on December 31, 2002 payable in 2003 must be made by the Eligible Employee by executing and delivering to the Corporation an irrevocable Long-term Incentive Deferral Agreement as provided in Section 2.02(b)(iii).

(iv) STOCK OPTION DEFERRAL will be available beginning in 2003 and to be effective must be made by an Eligible Employee by executing and delivering to the Corporation a Stock Option Deferral Agreement as provided in Section 2.02(b)(iv).

(b) INITIAL PARTICIPATION FOR 2002 PLAN YEAR AND THEREAFTER.



(i) In the case of a newly hired Eligible Employee or an employee who first becomes an Eligible Employee during a Plan Year, that Eligible Employee must execute and deliver to the Corporation a Salary Deferral Agreement within 30 days of notification of eligibility to participate in the Plan. Salary Deferrals will begin in the first full payroll period following receipt of the Salary Deferral Agreement.

(ii) For purposes of BONUS DEFERRALS, the initial irrevocable Bonus Deferral Agreement must be executed and delivered to the Corporation before the later of the date established for current Members to submit their Plan Year Bonus Deferral Agreement or thirty (30) days after being designated an Eligible Employee, to apply to the Bonus attributable to that Plan Year, which becomes payable in the next following Plan Year. The Bonus Deferral Agreement for subsequent Plan Years may be changed in accordance with the procedures in paragraph (c)(ii) below. Notwithstanding the foregoing, in relation to any other bonus, the irrevocable Bonus Deferral Agreement must be made at such time and in such manner as established by the Corporation in its discretion.

(iii) For purposes of LONG-TERM INCENTIVE DEFERRALS and for RESTRICTED STOCK DEFERRALS, the initial irrevocable Long-Term Incentive Deferral Agreement or Restricted Stock Deferral Agreement, as the case may be, must be executed and delivered to the Corporation before the later of the date established for current Members to submit their next plan year's payment Deferral Agreement or thirty (30) days after being designated an Eligible Employee for purposes of the Long-Term Incentive Deferral and/or Restricted Stock Award Deferral.



(iv) For purposes of STOCK OPTION DEFERRALS effective initially in 2003, the initial Stock Option Deferral Agreement as it applies to a specific Common Stock option must be executed and delivered to the Corporation:

(A) no later than December 31 of the Plan Year immediately preceding the Plan Year in which the Member will exercise such option, and

(B) at least six (6) months before the exercise of the Common Stock option.

This Stock Option Deferral Agreement is irrevocable, but will only apply to the stock option(s) designated in the Agreement.

(c) CONTINUING PARTICIPATION.

(i) After the initial year for eligibility, an Eligible Employee may authorize or change a previously authorized SALARY DEFERRAL for any Plan Year by executing and delivering to the Corporation a Salary Deferral Agreement at a date determined by the Corporation, but no later than December 31 of the Plan Year immediately preceding the Plan Year in which the Compensation would otherwise be paid to the Member. Once a Salary Deferral Agreement is made, it will remain in effect for that Plan Year and subsequent Plan Years until suspended or changed in accordance with these terms.

(ii) A Bonus Deferral Agreement must be executed for any Plan Year that a BONUS DEFERRAL is desired. An irrevocable Bonus Deferral Agreement must be delivered to the Corporation prior to the last business day of March in order to defer that Plan Year's Bonus, payable in the following Plan Year. A Bonus Deferral Agreement is irrevocable, but may be changed for subsequent Plan Years in accordance with these terms.



(iii) A Long-Term Incentive Deferral Agreement must be executed for each payout year that a LONG-TERM INCENTIVE DEFERRAL is desired. The Long-Term Incentive Deferral Agreement must be delivered to the Corporation prior to the last business day of March of the year prior to the plan year of payment. This Long-Term Incentive Deferral Agreement is irrevocable, but will only apply to the Long-Term Incentive designated in the Agreement.

(iv) A Restricted Stock Deferral Agreement must be executed for each payment that a RESTRICTED STOCK DEFERRAL is desired. The Restricted Stock Deferral Agreement must be delivered to the Corporation more than six (6) months prior to the vesting in the Restricted Stock Award and in the Plan Year prior to the year in which the Restricted Stock Award vests. This Deferral Agreement is irrevocable, but will only apply to the Restricted Stock Award designated in the Agreement.

(v) A Stock Option Deferral Agreement must be executed for each Common Stock option exercise that a STOCK OPTION DEFERRAL is desired. The Stock Option Deferral Agreement must be delivered to the Corporation:

(A) no later than December 31 of the Plan Year immediately preceding the Plan Year in which the Member will exercise such option, and

(B) at least six (6) months before the exercise of the Common Stock option.

This Stock Option Deferral Agreement is irrevocable, but will only apply to the stock option(s) designated in the Agreement.

(d) PARTICIPATION PROCEDURE. In order to commence participation in the Plan, an Eligible Employee must complete and timely deliver to the Corporation the following forms:



(i) one or more of the Deferral Agreements referred to above;

(ii) a Distribution Election Form which applies to one or more of the Accounts for which Deferrals are elected; and

(iii) a Beneficiary Designation Form which applies to the Accounts.

(e) ELECTION NOT TO DEFER. An Eligible Employee or Member may elect from time-to-time not to defer any amount he is eligible to defer hereunder without affecting the eligibility to defer at any time in the future as long as he remains an Eligible Employee.



## ARTICLE 3. CONTRIBUTIONS

### 3.01 AMOUNT OF DEFERRAL CONTRIBUTIONS

The amount of contributions to be recorded on the books of the Corporation on behalf of a Member's Accounts pursuant to this Section 3.01 shall be equal to the total of the Deferrals described herein.

(a) SALARY DEFERRALS. For each payroll period beginning on or after the effective date of an Eligible Employee's Salary Deferral Agreement,

his Cash Deferral Account shall be credited with an amount of Salary Deferrals, if applicable. The amount of Salary Deferrals shall be equal to the designated percentage of Compensation elected by the Member in his Salary Deferral Agreement by agreeing to accept a reduction in Compensation equal to a stated whole percentage of Compensation per payroll period which is not less than five percent (5%) nor more than ninety (90%) of Compensation.

(b) BONUS DEFERRAL. The amount of Bonus Deferrals shall be elected by the Member by agreeing to accept a reduction in Bonus equal to a stated whole percentage in his Bonus Deferral Agreement for that year, which is not less than five percent (5%) or one hundred (100) shares of Common Stock nor more than ninety (90%) of Bonus.

(c) LONG-TERM INCENTIVE DEFERRAL. The amount of a Long-Term Incentive Deferral shall be elected by the Member by agreeing to accept a reduction in the Long-Term Incentive equal to a stated whole percentage in the applicable Long-Term Incentive Deferral Agreement, which is not less than five percent (5%) or one hundred (100) shares of Common Stock nor more than one hundred percent (100%) of the Long-Term Incentive.

(d) RESTRICTED STOCK DEFERRAL. The amount of a Restricted Stock Deferral shall be



elected by the Member by agreeing to accept a reduction in the Restricted Stock Award equal to a stated whole percentage of his Common Stock covered in the applicable Restricted Stock Deferral Agreement, which is not less than one hundred (100) shares of Common Stock nor more than one hundred percent (100%) of the award (in whole shares).

(e) STOCK OPTION DEFERRAL. The amount of a Stock Option Deferral shall be elected by the Member by agreeing to accept a reduction in Net Shares deliverable to him equal to a stated whole percentage of his Net Shares for that Stock Option Deferral Agreement, which is not less than one hundred (100) shares of Common Stock nor more than one hundred percent (100%) of the Net Shares (in whole shares).

(f) The Corporation, in its sole discretion, may allow Deferrals in dollar amounts, or a combination of percentages and dollar amounts.

(g) No election for Deferrals will be effective unless the cash amount or Common Stock amount payable to the Member to which the Deferral applies is sufficient to satisfy such election.

(h) In no event shall the Deferrals of Compensation, Bonus, Long-Term Incentive, Common Stock or Net Shares be reduced below the amount required for federal, state and local tax and any other required or elected withholding amounts (including amounts elected under the Corporation's various benefit plans).



3.02 STOCK OPTION EXERCISE

(a) This Section describes the special procedures for deferring the delivery and receipt of Common Stock which a Member may receive from the exercise of a nonqualified stock option granted to the Member by the Corporation. The stock options are governed by the stock option plan under which they are granted. No stock options or shares of Common Stock are authorized to be issued under the Plan. A Member who elects to defer receipt of Common Stock issuable upon the exercise of stock options will have no rights as a stockholder of the Corporation with respect to allocations made to his Stock Option Deferral Account except the right to receive dividend equivalent allocations as hereafter described.

(b) A Member may elect to defer receipt of Net Shares of Common Stock resulting from a stock-for-stock exercise of an exercisable stock option issued to the Member by completing and submitting to the Corporation his Stock Option Deferral Agreement as provided in Section 2.02. The stock option exercise must occur on or prior to the expiration date of the stock option and must be accomplished by delivering Common Stock or using another acceptable method, such as, attestation, on or prior to the exercise date, shares of Common Stock which have been personally owned by the Member for at least six (6) months prior to the exercise date and have not been used in a stock swap in the prior six (6) months. A Member's Stock Option Deferral Agreement shall not be effective if the stock option as to which the Member has made the deferral election terminates prior to the exercise date selected by the Member. If the Member dies or fails to deliver shares of Common Stock which have been personally

owned by the Member at least six (6) months prior to the exercise date (and have not been used in a stock swap in the prior six (6) months) in payment of the exercise price, then the Stock



Option Deferral Agreement shall not be effective. Only whole Net Shares may be deferred.

3.03 INVESTMENT OF ACCOUNTS

(a) The Accounts of each Member shall be credited with an additional amount of hypothetical net earnings (or losses) determined under this Section.

(b) Except for the Common Stock Deferral Account and the Stock Option Deferral Account, each Member shall elect the manner in which his Accounts are to be credited with net earnings (and losses) by designating how the Accounts are to be invested on a hypothetical basis from among the Investment Funds. The election shall be made in writing on a form provided by the Corporation. An investment election shall be effective for the Valuation Date established by the Corporation following its receipt. Modifications may be made to investment elections on the same basis.

(c) If the Corporation exercises its discretion to establish the Trust, it reserves the right to determine the amount of contributions to the Trust and the types of investments used, including, but not limited to, mutual funds, annuities and life insurance contracts.

(d) Bonus Deferrals, Long-Term Incentive Deferrals, Restricted Stock Deferrals and Stock Option Deferrals of Common Stock may be maintained in their respective Accounts on the books of the Corporation or the Common Stock may be held in the Trust.



3.04 VALUATION OF ACCOUNTS

(a) On the first Valuation Date, the Member's Accounts shall equal:

(i) the amount of the Member's Deferrals, if any, credited to the Member's Accounts during the period from the Effective Date through the first Valuation Date; plus

(ii) the proportionate share of the net earnings or losses, if any, since the Effective Date on the Investment Funds, made available in determining the net earnings or losses on a Member's Deferrals;

(iii) for purposes of the Common Stock valuation, all dividend equivalents payable in relation to Common Stock shall be credited in the form of additional whole and fractional shares of Common Stock since the Effective Date.

(b) On each subsequent Valuation Date, the Member's Accounts shall equal:

(i) the Member's Accounts balance as of the immediately preceding Valuation Date; plus

(ii) the proportionate share of the net earnings or losses, if any, since the immediately preceding Valuation Date on the Investment Funds, made available in determining the net earnings or losses on a Member's Deferrals; plus

(iii) all dividend equivalents payable in relation to the Common Stock (credited in the form of additional shares) since the immediately preceding Valuation Date; plus

(iv) the then value of the Member's Deferrals, if any, credited since the immediately preceding Valuation Date; and less



(v) any payments or distributions made in accordance with the terms of the Plan from the Member's Accounts since the immediately preceding Valuation Date.

(c) The Corporation reserves the right to change from time-to-time the procedures used in valuing the Accounts or crediting (or debiting) the Accounts if it determines that such an action is justified in that it results in a more accurate reflection of the fair market value of assets. In the event of a conflict between the provisions of this Section and such new administrative procedures, those new

administrative procedures shall prevail.

(d) In the event that the Corporation determines that any recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Common Stock or other securities of the Corporation, issuance of warrants or other rights to purchase Common Stock or other securities of the Corporation, or other similar corporate transactions or events affects the Common Stock, an appropriate adjustment to the Member's Common Stock Deferral Account and Stock Option Deferral Account shall be made to prevent reduction or enlargement of the Member's benefits under the Plan.

3.05 VESTING OF ACCOUNT

The Member shall be fully vested in his Deferrals and earnings credited to his Accounts.



3.06 INDIVIDUAL ACCOUNTING

The Corporation shall maintain, or cause to be maintained, records showing the individual balances of each of the Member's Accounts. At least once a year, each Member shall be furnished with a statement setting forth the value of his Accounts.



ARTICLE 4. PAYMENT OF ACCOUNT

4.01 PAYMENT OF ACCOUNTS

A Member shall be entitled to receive payment of his Accounts upon the Member's termination of employment from the Corporation for any reason.

4.02 METHOD OF PAYMENT

(a) Unless otherwise elected as provided hereinafter, payment of the Accounts shall be made in a single lump sum payment on or as soon as administratively possible following the Valuation Date for the month following the month in which the Member terminates employment.

(b) In lieu of receiving an immediate lump sum payment, the Member may elect from time-to-time on a Distribution Election Form to receive his Accounts:

(i) in annual installments over a period allowed by the Corporation ranging from two (2) to ten (10) years as follows:

(A) with respect to Cash Deferral Accounts, annual cash payments calculated by multiplying (I) the balance in the Cash Deferral Account as of the Valuation Date on which such installment payment is being made, times (II) a fraction equal to the reciprocal of the number of years remaining in the annual installment period elected by the Member; and

(B) with respect to Common Stock Deferral Accounts and Stock Option Deferral Accounts, approximately equal annual installments of Common Stock, or



(ii) in a lump sum payment or in installments as provided in subparagraph (i) above beginning as of a specified Valuation Date either before or after his termination of employment in accordance with terms established by the Corporation.

(c) An installment payout election under paragraph (b) above is subject to the approval of the Corporation and to be effective must be made no later than:

(i) the end of the Plan Year prior to the Plan Year in which the election will be effective; and

(ii) at least six (6) months prior to the commencement payout date.

(d) A Member may complete one Distribution Election Form at the time of the Member's initial Deferral hereunder electing a date or dates on which any Member Deferrals will be distributed or begin to be distributed to the Member other than the Member's termination of employment. The initial Deferral election period on the Distribution Election Form must be at least three (3) Plan Years from the Plan Year in which that Deferral occurs.

The Member may subsequently extend any Deferral payout date, if the Member's subsequent Distribution Election Form is executed and delivered to the Corporation at least two (2) Plan Years prior to the then elected payout date.

(e) The Corporation may establish rules and procedures which allow a Member to complete a separate Distribution Election Form for each Account within the Member's Accounts or for an amount in any one of his Accounts based on the value of separate Deferral Agreements. In either situation, the Corporation shall revise the Distribution Election Form procedures under paragraph (d) above to



allow current and subsequent elections to apply to each Account or to amounts in the Accounts based on separate deferral agreements.

4.03 HARDSHIP DISTRIBUTIONS

The Corporation may, pursuant to rules adopted by it and applied in a uniform manner, accelerate the date of distribution of a Member's Accounts (except the Common Stock Deferral Account and the Stock Option Deferral Account) because of hardship at any time. "Hardship" shall include an unforeseeable, severe financial condition resulting from (a) a sudden and unexpected illness or accident of the Member or his dependents (as defined in Section 152(a) of the Code); (b) loss of the Member's property due to casualty; or (c) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Member, but which may not be relieved through other available resources of the Member, as determined by the Corporation. The amount of the distribution may not be in excess of the amount of the financial need to satisfy the hardship, including any amounts necessary to pay any federal, state or local tax reasonably anticipated to result from the distribution.

4.04 OTHER DISTRIBUTIONS

A Member shall be permitted to accelerate payment from his Accounts on or as soon as administratively possible following the Valuation Date coincident with or occurring after at least thirty (30) days written notice to the Corporation. Such payment shall be subject to a ten percent (10%) penalty reduction to the Accounts and the Member's future Deferrals shall be suspended. The Member shall be permitted to reauthorize Deferrals for the Plan Year following the expiration of a twelve (12)-month period after said distribution, provided he still is an Eligible Employee.



4.05 ACCELERATED TAX DISTRIBUTIONS

In the event any Deferral is finally determined to be income taxable to the Eligible Employee prior to any distribution event hereunder, then the Account holding that Deferral shall be distributable to the Eligible Employee. The Eligible Employee shall notify the Corporation of the final determination of taxability and will provide all information required by the Corporation.

4.06 COMPENSATION COMMITTEE DEFERRAL OF DISTRIBUTIONS

The Compensation Committee may, in its sole discretion, defer payment to a future date of any otherwise scheduled distribution that would otherwise result in the loss of a corporate income tax deduction under Internal Revenue Code Section 162(m).

4.07 DEATH BENEFIT

If a Member dies before payment of the entire balance of his Accounts, an amount equal to the unpaid portion thereof as of the date of his death shall be made in a single lump sum payment to his Beneficiary on or as soon as administratively possible following the Valuation Date for the month following the month in which the Member dies.



4.08 DESIGNATION OF BENEFICIARY

Each Member shall file with the Corporation a written designation of one or more persons, trust or other recipient as the Beneficiary who shall be entitled to receive the amount, if any, payable from his Accounts under the Plan upon his death pursuant to this Section 4.07. A Member may, from time to time revoke or change his Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Corporation. The last such designation received by the Corporation shall be controlling; provided however, that no designation, or change or revocation thereof, shall be effective unless received by the Corporation

prior to the Member's death, and in no event shall it be effective as of a date prior to such receipt. If no such Beneficiary designation is in effect at the time of the Member's death, or if no designated Beneficiary survives the Member, the Corporation shall distribute the Member's benefits to the following persons in the following order of priority:

(a) The Member's surviving spouse;

(b) The Member's surviving children, in equal shares; or

(c) The legal representative of the Member's estate.



ARTICLE 5. CHANGE IN CONTROL

5.01 DEFINITION OF CHANGE IN CONTROL

Change in Control means any of the following events:

(a) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act as in effect as of the date of this Plan), other than the Corporation or any "person" who as of the Effective Date is a director or officer of the Corporation or whose shares of Common Stock of the Corporation are treated as "beneficially owned" (as such term is used in Rule 13d-3 of the Exchange Act as in effect as of the Effective Date) by any such director or officer, becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing twenty-five percent (25%) or more of the combined voting power of the Corporation's then outstanding securities;

(b) Individuals who, as of the Effective Date, constitute the Board of Directors of the Corporation (the "incumbent board") cease for any reason to constitute at least a majority of such Board of Directors, provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election, was approved by a vote of at least a majority of the directors comprising the "incumbent board" shall be considered as though such individual were a member of the "incumbent board," but excluding for this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a "person" other than such Board of Directors;



(c) 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) fifty-one percent (51%) or more of the combined voting power of the Corporation or surviving entity immediately after the merger or consolidation with another entity;

(d) 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 fifty percent (50%) of the assets or earning power of the Corporation on a consolidated basis;

(e) A liquidation or dissolution of the Corporation;

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

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

5.02 APPLICATION IN CHANGE IN CONTROL

To the extent applicable, the provisions of this Article shall control and shall supersede any other provisions of the Plan to the extent inconsistent with the provisions of this Article.



5.03 PAYMENTS TO AND BY THE TRUST

If the Corporation determines that it is probable that a Change in Control may occur within the six (6)-month period immediately following the date

of determination, or if a Change in Control in fact occurs in those situations where the Corporation has not otherwise made such a determination, the Corporation shall make a contribution to the Trust (if in existence at the date of determination or the date of the Change in Control, as the case may be) in accordance with the provisions of the Trust. Solely for purposes of determining the amount of such contribution (but in no way in limitation of the Corporation's liability under the Plan as determined under other provisions of the Plan), the Corporation's total liability under the Plan shall be equal to the value of all Accounts established under the Plan, which remain unpaid by the Corporation as of the date of determination or the date of the Change in Control, as the case may be, whether or not amounts are otherwise currently payable to Members or Beneficiaries under the Plan. All such contributions shall be made as soon as possible after the date of determination or of the Change in Control, as the case may be, and shall be made in cash and/or Common Stock. Further the Corporation may, in its discretion, make other contributions to the Trust from time-to-time for purposes of providing benefits hereunder, whether or not a Change in Control has occurred or may occur.

Notwithstanding the foregoing, any contributions to the Trust, as well as any net earnings or losses thereon, shall be at all times subject to the provisions of the Trust.



5.04 LEGAL FEES AND EXPENSES

The Corporation shall reimburse any Member or Beneficiary for all reasonable legal fees and expenses incurred by such Member or Beneficiary after the date of any Change in Control in seeking to obtain any right or benefit provided by the Plan.



ARTICLE 6. GENERAL PROVISIONS

6.01 ESTABLISHMENT OF RULES

The Corporation shall be responsible for providing for the general administration of the Plan and for carrying out the provisions of the Plan. The Corporation from time-to-time shall establish rules for the administration of the Plan and the transaction of its business. The Corporation shall have total and complete discretion to interpret the Plan, including, but not limited to, the discretion to:

(a) determine all questions arising in the administration, interpretation and application of the Plan, including the power to construe and interpret the Plan;

(b) decide all questions relating to an individual's eligibility for benefits and the amounts thereof;

(c) decide all facts relevant to the determination of eligibility for benefits or participation;

(d) make such adjustments which it deems necessary or desirable to correct any arithmetical or accounting errors; and

(e) determine the amount, form and timing of any distribution to be made hereunder.

In making its decision, the Corporation shall be entitled to, but need not rely upon, information supplied by a Member, Beneficiary, or representative thereof. The Corporation may correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as it shall deem necessary to carry out the purposes of this Plan. The Corporation's decisions in such matters shall be binding and conclusive as to all parties. In providing for the administration of the Plan, the Corporation may delegate responsibilities for the operation and administration of the Plan by a written document or documents filed with the Plan records.

6.02 FUNDING



(a) All amounts payable in accordance with this Plan shall constitute a general unsecured obligation of the Corporation. Such amounts, as well as any administrative costs relating to the Plan, shall be paid out of the general assets of the Corporation, to the extent not paid by a grantor trust established pursuant to paragraph (b) below. To the extent the Member or any other person acquires a right to receive benefits under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Corporation.

(b) The Corporation may, for administrative reasons, establish a grantor trust for the benefit of Members participating in the Plan. The Corporation reserves the right to determine the amount of contributions to the Trust and the types of investments used, including, but not limited to, mutual funds, annuities and life insurance contracts. The assets of said trust will be held separate and apart from other Corporation funds, and shall be used exclusively for the purposes set forth in the Plan and the applicable trust agreement, subject to the following conditions:

(i) the creation of said trust shall not cause the Plan to be other than "unfunded" for purposes of Title I of ERISA;

(ii) the Corporation shall be treated as "grantor" of said trust for purposes of Section 677 of the Code; and

(iii) said trust agreement shall provide that its assets may be used to satisfy claims of the grantor's general creditors in the event of its insolvency, and the rights of such general creditors are enforceable by them under federal and state law.



(c) All Accounts under the Plan shall be for bookkeeping purposes only and shall not represent a claim against specific assets of the Corporation. Nothing contained in this Plan shall be deemed to create a trust of any kind or create any fiduciary relationship. Payments of amounts credited to Accounts under the Plan with respect to those Members and Beneficiaries for whom Trust contributions are made shall be made at the Corporation's option by the Corporation or from the Trust in accordance with the terms of the Trust, but, to the extent not paid by the Corporation, shall be paid by the Trust.

6.03 NO CONTRACT OF EMPLOYMENT

The establishment of the Plan shall not be construed as conferring any legal rights upon any person for a continuation of employment, nor shall it interfere with the rights of the Corporation to discharge any officer and to treat him without regard to the effect which such treatment might have upon him as a Member of the Plan.

6.04 FACILITY OF PAYMENT

In the event that the Corporation shall find that a Member is unable to care for his affairs because of illness or accident, the Corporation may direct that any benefit payment due him, unless claim shall have been made therefor by a duly appointed legal representative, be paid to his spouse, a child, a parent or other blood relative, or to a person with whom he resides, and any such payment so made shall be a complete discharge of the liabilities of the Plan therefor.



6.05 WITHHOLDING TAXES

The Corporation shall have the right to deduct from each payment to be made under the Plan any required withholding taxes. In the event employment tax liability or state or local tax liability is assessed on amounts paid or payable under this Plan, the Corporation shall have the right to deduct from the payment or from the Member's other Compensation any required employee portion of the employment tax liability or income tax withholding.

6.06 NONALIENATION

Subject to any applicable law, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt so to do shall be void, nor shall any such benefit be in any manner liable for or subject to garnishment, attachment, execution or levy, or liable for or subject to the debts, contracts, liabilities, engagements or torts of the Member or any liability for equitable distribution, alimony or other payments for the support of a spouse or former spouse, or for any other relative of any Member.

6.07 CONSTRUCTION

The Plan is intended to constitute an unfunded deferred compensation arrangement for a select group of management or highly compensated employees. Except to the extent superseded by Federal law, all rights hereunder shall be governed by and construed in accordance with the laws of the State of Ohio (including its statute or limitations provisions). The Plan shall be construed to effectuate its purpose and the Corporation's intent that the Plan be exempt from ERISA, as amended and

that amounts deferred hereunder not be subject to Federal income tax until distributed.



Except as otherwise provided by law, any action to enforce a right or obligation hereunder shall be brought in a court of competent jurisdiction in the County of Franklin and State of Ohio.

6.08 LIMITATIONS ON LIABILITY

Notwithstanding any of the preceding provisions of the Plan, neither the Corporation nor any individual acting as employee or agent of the Corporation shall be liable to any Member, former Member or other person for any claim, loss, liability or expense incurred in connection with the Plan. The Corporation does not undertake any responsibility to any Member for the tax consequences of a particular Member's election to defer income under this Plan.

6.09 ADMINISTRATIVE EXPENSE

All expenses of administering this Plan shall be paid by the Corporation and no part of the expenses or taxes on the Corporation shall be charged against any Member's Accounts or any benefits distributed under the Plan.

6.10 CLAIMS AND REVIEW PROCEDURES

(a) In accordance with any rules and procedures adopted by the Corporation, applications for benefits shall be submitted to the Corporation on a prescribed form signed by the Member or, in the case of a death benefit, by his Beneficiary.

The Corporation shall, within 90 days after the receipt of a written claim, send written notification to the Participant or Beneficiary (referred to in the remainder of this Section as the "claimant") as to its disposition, unless special circumstances



require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial ninety (90)-day period. In no event shall such extension exceed a period of ninety (90) days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Corporation expects to render the final decision.

In the event the claim is wholly or partially denied, the written notification shall state the specific reason or reasons for the denial, include specific references to pertinent Plan provisions on which the denial is based, provide an explanation of any additional material or information necessary for the claimant to perfect the claim and a statement of why such material or information is necessary, and set forth the procedure by which the claimant may appeal the denial of the claim. If the claim has not been granted and notice is not furnished within the time period specified in the preceding paragraph, the claim shall be deemed denied for the purpose of proceeding to appeal in accordance with paragraph (b) below.

(b) In the event a claimant wishes to appeal the denial of his claim, he may request a review of such denial by making written application to the Corporation within sixty (60) days after receipt of the written notice of denial (or the date on which such claim is deemed denied if written notice is not received within the applicable time period specified in paragraph (a) above). Such claimant (or his duly authorized representative) may, upon written request to the Corporation, review documents which are pertinent to such claim, and submit in writing issues and comments in support of his position. Within sixty (60) days after receipt of the written appeal



(unless an extension of time is necessary due to special circumstances or is agreed to by the parties, but in no event more than one hundred twenty (120) days after such receipt), the Corporation shall notify the claimant of its final decision. Such final decision shall be in writing and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. If an extension of time for review is required because of special circumstances, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension. If the claim has not been granted and written notice is not provided within the time

period specified above, the appeal shall be deemed denied.

(c) If the claimant does not follow the procedures set forth in paragraphs (a) and (b) above, the claimant shall be deemed to have waived his right to appeal benefit determinations under the Plan. In addition, the decisions, actions, and records of the Corporation shall be conclusive and binding upon the Corporation and all persons having or claiming to have any right or interests in or under the Plan.

6.11 ILLEGAL OR INVALID PROVISION

In case any provision of the Plan shall be held illegal or invalid for any reason, such illegal or invalid provision shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced without regard to such illegal or invalid provision.

6.12 GENDER AND NUMBER

Except as otherwise indicated by context, masculine terminology used herein also includes the feminine, and terms used in the singular may also include the plural.



6.13 SUCCESSORS

All obligations of the Corporation under the Plan shall be binding on any successor to the Corporation, whether the existence of such successor is the result of a direct or indirect purchase of all or substantially all of the business and/or assets of the Corporation, or a merger, consolidation or otherwise.



ARTICLE 7. AMENDMENT OR TERMINATION

The Corporation reserves the right to modify or to amend, in whole or in part, or to terminate this Plan any time by action of its Compensation Committee, taken at a meeting held either in person or by telephone or other electronic means, or by unanimous written consent by lieu of a meeting. However, no modification or amendment of the Plan shall adversely affect the right of any Member to receive the benefits granted under the Plan by the Corporation in respect to such Member as of the date of modification or amendment.

If the Plan is terminated, payments from the Accounts of all Members and Beneficiaries shall be made as soon as administratively convenient in the form of monthly payments over a three (3)-year period; however, the Compensation Committee, in its sole discretion, may pay benefits in a lump sum.

Notwithstanding the foregoing, following a Change in Control no modification, amendment or termination of the Plan shall change the right of any Member to direct investments, to direct the investment forms, to make distribution elections whether in-service or at termination of service from those rights the Member had at the date of modification, amendment or termination, without the written consent of a majority in number of the Members, except when to comply with legal or regulatory requirements necessary to maintain the tax deferred status of any Deferrals.

EXHIBIT 99.1

# HUNTINGTON BANCSHARES INCORPORATED
## QUARTERLY RATIOS OF EARNINGS TO FIXED CHARGES
(UNAUDITED)

<TABLE>
<CAPTION>

| (in thousands of dollars) | 2003 FIRST | 2002 FOURTH | 2002 THIRD | 2002 SECOND | 2002 FIRST |
|---|---|---|---|---|---|
| EARNINGS: | | | | | |
| Income before taxes | $120,855 | $ 99,081 | $124,797 | $101,094 | $217,847 |
| Add: Fixed charges, excluding interest on deposits | 41,478 | 44,623 | 41,144 | 39,902 | 44,119 |
| Earnings available for fixed charges, excluding interest on deposits | 162,333 | 143,704 | 165,941 | 140,996 | 261,966 |
| Add: Interest on deposits | 80,817 | 89,434 | 95,629 | 94,865 | 109,967 |
| Earnings available for fixed charges, including interest on deposits | $243,150 | $233,138 | $261,570 | $235,861 | $371,933 |
| FIXED CHARGES: | | | | | |
| Interest expense, excluding interest on deposits | 38,545 | 41,757 | 38,265 | 37,063 | 40,803 |
| Interest factor in net rental expense | 2,933 | 2,866 | 2,879 | 2,839 | 3,316 |
| Total fixed charges, excluding interest on deposits | 41,478 | 44,623 | 41,144 | 39,902 | 44,119 |
| Add: Interest on deposits | 80,817 | 89,434 | 95,629 | 94,865 | 109,967 |
| Total fixed charges, including interest on deposits | $122,295 | $134,057 | $136,773 | $134,767 | $154,086 |
| RATIO OF EARNINGS TO FIXED CHARGES | | | | | |
| Excluding interest on deposits | 3.91 X | 3.22 X | 4.03 X | 3.53 X | 5.94 X |
| Including interest on deposits | 1.99 X | 1.74 X | 1.91 X | 1.75 X | 2.41 X |

</TABLE>

EXHIBIT 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Huntington Bancshares Incorporated (the "Company") on Form 10-Q for the quarter ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. Hoaglin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Huntington Bancshares Incorporated and will be retained by Huntington Bancshares Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Thomas E. Hoaglin

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Thomas E. Hoaglin
Chief Executive Officer
May 20, 2003

EXHIBIT 99.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Huntington Bancshares Incorporated (the "Company") on Form 10-Q for the quarter ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. McMennamin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Huntington Bancshares Incorporated and will be retained by Huntington Bancshares Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Michael J. McMennamin
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Michael J. McMennamin
Chief Financial Officer
May 20, 2003