HUNTINGTON BANCSHARES INC/MD
Form 10-Q/A
August 17, 2001

1

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

FORM 10-Q/A

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
QUARTERLY PERIOD ENDED June 30, 2001

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

There were 251,109,948 shares of Registrant's without par value common stock outstanding on July 31, 2001.

2

HUNTINGTON BANCSHARES INCORPORATED

INDEX

PART I. FINANCIAL INFORMATION

1. FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)	JUNE 30, 2001	DECEMBER 31, 2000
ASSETS		
Cash and due from banks	$ 908,686	$ 1,322,700
Interest bearing deposits in banks	4,893	4,970
Trading account securities	4,291	4,723
Federal funds sold and securities purchased under resale agreements	59,725	133,183
Loans held for sale	376,671	155,104
Securities available for sale - at fair value	3,190,686	4,090,525
Investment securities - fair value $15,159; $16,414; and $17,254, respectively	14,978	16,336
Total Loans (1)	21,127,862	20,610,191
Less allowance for loan losses	352,243	297,880
Net loans	20,775,619	20,312,311
Bank owned life insurance	824,062	804,941

Premises and equipment	457,749	454,844
Customers' acceptance liability	15,335	17,366
Accrued income and other assets	1,315,455	1,282,374
TOTAL ASSETS	$ 27,948,150	$ 28,599,377
LIABILITIES AND SHAREHOLDERS' EQUITY		
Total Deposits (1)	$ 18,996,922	$ 19,777,245
Short-term borrowings	2,585,773	1,987,759
Bank acceptances outstanding	15,335	17,366
Medium-term notes	1,983,603	2,467,150
Subordinated notes and other long-term debt	890,371	870,976
Company obligated mandatorily redeemable preferred capital securities of subsidiary trusts holding solely junior subordinated debentures of the Parent Company	300,000	300,000
Accrued expenses and other liabilities	822,624	812,834
Total Liabilities	25,594,628	26,233,330
Shareholders' equity		
Preferred stock - authorized 6,617,808 shares; none issued or outstanding	---	---
Common stock - without par value; authorized 500,000,000 shares; issued 257,866,255, 257,866,255, and 233,844,820 shares, respectively; outstanding 251,056,761, 250,859,470, and 228,502,954 shares, respectively	2,490,682	2,493,645
Less 6,809,494, 7,006,765, and 5,341,866 treasury shares, respectively	(125,095)	(129,432)
Accumulated other comprehensive income	(8,388)	(24,520)
Retained earnings	(3,677)	26,354
Total Shareholders' Equity	2,353,522	2,366,047
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 27,948,150	$ 28,599,377

(1) See page 12 for detail of total loans and total deposits.

See notes to unaudited consolidated financial statements.

3

4

CONSOLIDATED STATEMENTS OF INCOME

	THREE MONTHS ENDED JUNE 30,	
(in thousands of dollars, except per share amounts)	2001	2000

Interest and fee income			
Loans	$ 434,697	$ 448,597	$
Securities	55,434	66,891	
Other	8,828	4,008	
TOTAL INTEREST INCOME	498,959	519,496	
Interest expense			
Deposits	170,288	192,213	
Short-term borrowings	30,039	25,216	
Medium-term notes	32,940	48,839	
Subordinated notes and other long-term debt	17,659	20,422	
TOTAL INTEREST EXPENSE	250,926	286,690	
NET INTEREST INCOME	248,033	232,806	
Provision for loan losses	117,495	15,834	
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	130,538	216,972	
Total non-interest income (1)	128,203	115,664	
Total non-interest expense (1)	267,293	198,076	
(LOSS) INCOME BEFORE INCOME TAXES	(8,552)	134,560	
Provision for income taxes	(10,929)	37,039	
NET INCOME	$ 2,377	$ 97,521	$
PER COMMON SHARE (2)			
Net income			
Basic	$ 0.01	$ 0.40	$
Diluted	$ 0.01	$ 0.40	$
Cash dividends declared	$ 0.20	$ 0.18	$
AVERAGE COMMON SHARES (2)			
Basic	251,024,374	244,834,775	25
Diluted	251,447,651	245,651,908	25

(1) See page 13 for detail on non-interest income and non-interest expense.
(2) Adjusted for stock splits and stock dividends, as applicable.

See notes to unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	COMMON STOCK		TREASURY STOCK		A
	SHARES	AMOUNT	SHARES	AMOUNT	CO I
Six Months Ended June 30, 2000:					
Balance, beginning of period	233,845	$2,284,956	(4,957)	($137,268)	
Comprehensive Income:					
Net income					
Unrealized net holding losses on securities available for sale arising during the period					
Total comprehensive income					
Stock issued for acquisition		(29,399)	6,480	160,060	
Cash dividends declared					
Stock options exercised		(2,333)	76	2,483	
Treasury shares purchased			(6,971)	(148,219)	
Treasury shares sold to employee benefit plans			30	699	
Balance, end of period	233,845	$2,253,224	(5,342)	($122,245)	(
SIX MONTHS ENDED JUNE 30, 2001:					
BALANCE, BEGINNING OF PERIOD	257,866	$2,493,645	(7,007)	($129,432)	
COMPREHENSIVE INCOME:					
NET INCOME					
CHANGE IN ACCOUNTING METHOD FOR DERIVATIVES					
UNREALIZED NET HOLDING GAINS ON SECURITIES AVAILABLE FOR SALE ARISING DURING THE PERIOD					
UNREALIZED GAINS ON DERIVATIVES					
TOTAL COMPREHENSIVE INCOME					
CASH DIVIDENDS DECLARED					
STOCK OPTIONS EXERCISED		(2,963)	154	3,626	
TREASURY SHARES SOLD TO EMPLOYEE BENEFIT PLANS			44	711	
BALANCE, END OF PERIOD	257,866	$2,490,682	(6,809)	($125,095)	

See notes to unaudited consolidated financial statements.

5

6

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of dollars)	SIX MONTHS ENDED JUN 2001	
OPERATING ACTIVITIES		
Net Income	$ 70,243	$
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	150,959	
Provision for depreciation and amortization	51,237	
Deferred income tax expense	12,941	
Decrease (increase) in trading account securities	432	
(Increase) decrease in mortgages held for sale	(221,567)	
Losses (gains) on sales of securities available for sale	425	
(Gains) losses on sales/securitizations of loans	(4,869)	
Decrease (increase) in accrued income receivable	15,609	
Net increase in other assets	(71,749)	
(Decrease) increase in accrued expenses	(39,413)	
Net increase (decrease) in other liabilities	5,978	
Special Charge	33,997	
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,223	
INVESTING ACTIVITIES		
Decrease in interest bearing deposits in banks	77	
Proceeds from :		
Maturities and calls of investment securities	990	
Maturities and calls of securities available for sale	633,121	
Sales of securities available for sale	953,722	
Purchases of securities available for sale	(634,687)	
Proceeds from sales/securitizations of loans	303,240	
Net loan originations, excluding sales	(962,780)	
Proceeds from sale of premises and equipment	717	
Purchases of premises and equipment	(30,719)	
Proceeds from sales of other real estate	8,271	
Net cash received in purchase acquisition	---	
NET CASH PROVIDED BY INVESTING ACTIVITIES	271,952	1
FINANCING ACTIVITIES		
Decrease in total deposits	(779,650)	
Increase (decrease) in short-term borrowings	598,014	
Proceeds from issuance of long-term debt	---	
Maturity of long-term debt	(8,000)	
Proceeds from issuance of medium-term notes	400,000	

Payment of medium-term notes	(875,000)	
Dividends paid on common stock	(100,385)	
Repurchases of common stock	---	
Proceeds from issuance of common stock	1,374	
NET CASH USED FOR FINANCING ACTIVITIES	(763,647)	(1
CHANGE IN CASH AND CASH EQUIVALENTS	(487,472)	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,455,883	1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 968,411	$ 1

See notes to unaudited consolidated financial statements.

6

7

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of Presentation

The accompanying unaudited consolidated financial statements 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 generally accepted accounting principles have been omitted. The Notes to the Consolidated Financial Statements appearing in Huntington Bancshares Incorporated's (Huntington) 2000 Annual Report on Form 10-K should be read in conjunction with these interim financial statements.

B. Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the 2001 presentation. These reclassifications had no effect on net income.

C. Earnings per Share

Basic earnings per share is the amount of earnings for the period available to each share of common stock outstanding during the reporting period. Diluted earnings per share is the amount of earnings available to each share of common stock outstanding during the reporting period adjusted for the potential issuance of common shares for stock options. The calculation of basic and diluted earnings per share for each of the periods ended June 30, is as follows:

	THREE MONTHS ENDED JUNE 30,		S
(in thousands, except per share amounts)	2001	2000	2

Net Income	$2,377	$97,521	
Average common shares outstanding	251,024	244,835	
Dilutive effect of stock options	424	817	
Diluted common shares outstanding	251,448	245,652	
Earnings per share			
Basic	$0.01	$0.40	
Diluted	$0.01	$0.40	

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

7

8

D. Comprehensive Income

Comprehensive Income includes net income as well as certain items that are reported directly within a separate component of stockholders' equity that bypass net income. Currently, Huntington's only components of Other Comprehensive Income are the unrealized gains (losses) on securities available for sale and unrealized gains and losses on certain derivatives. The related before and after tax amounts are as follows:

	THREE MONTHS ENDED JUNE 30,		
(in thousands)	2001	2000	2
Change in accounting method for derivatives:			
Unrealized net losses	$ ---	$ ---	$
Related tax benefit	---	---	
Net	---	---	
Unrealized holding (losses) gains on securities arising during the period:			
Unrealized net (losses) gains	(12,376)	(23,478)	
Related tax benefit (expense)	4,353	8,123	
Net	(8,023)	(15,355)	
Unrealized holding gains on derivatives arising during the period:			
Unrealized net gains	3,429	---	
Related tax expense	(1,200)	---	
Net	2,229	---	

Less: Reclassification adjustment for net (losses) gains realized during the period:			
Realized net (losses) gains	(2,503)	114	
Related tax benefit (expense)	876	(41)	
Net	(1,627)	73	
Total Other Comprehensive Income	$(4,167)	$(15,428)	

Accumulated Other Comprehensive Income balances at June 30, 2001 are as follows:

(in thousands)	UNREALIZED GAINS (LOSSES) ON SECURITIES	UNREA D
Balance, December 31, 2000	$ (24,520)	
Change in accounting method	---	
Current-period change	19,893	
Balance, June 30, 2001	$ (4,627)	

8

9

E. Lines of Business

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

Listed below is certain financial information regarding Huntington's 2001 and 2000 results by line of business. For a detailed description of the individual segments, refer to Huntington's Management's Discussion and Analysis.

THREE MONTHS ENDED JUNE 30,

INCOME STATEMENT (in thousands of dollars)	Retail Banking	Corporate Banking	Dealer Sales	Private Financia Group
2001				
Net Interest Income (FTE)	$ 130,368	$ 69,074	$ 58,383	$ 9,
Provision for Loan Losses	14,644	21,630	81,092	
Non-Interest income	82,110	15,556	5,798	12,
Non-Interest expense	149,374	34,924	48,732	23,
Income Taxes/FTE Adjustment	16,961	9,827	(22,975)	(
Net Income (Loss)	$ 31,499	$ 18,249	$ (42,668)	$ (
BALANCE SHEET (in millions of dollars)				
Average Identifiable Assets	$ 7,247	$ 7,558	$ 7,245	$
Average Deposits	$ 15,875	$ 2,122	$ 91	$
2000				
Net Interest Income (FTE)	$ 129,365	$ 67,599	$ 48,047	$ 8,
Provision for Loan Losses	5,766	2,004	7,490	
Non-Interest income	68,321	12,011	10,326	16,
Non-Interest expense	138,571	25,930	13,157	16,
Income Taxes/FTE Adjustment	18,672	18,087	13,204	2,
Net income (Loss)	$ 34,677	$ 33,589	$ 24,522	$ 5,
BALANCE SHEET (in millions of dollars)				
Average Identifiable Assets	$ 6,955	$ 7,068	$ 6,870	$
Average Deposits	$ 16,193	$ 1,601	$ 80	$

9

10

Six Months Ended June 30,

INCOME STATEMENT (in thousands of dollars)	Retail Banking	Corporate Banking	Dealer Sales	Private Financial Group
2001				
Net Interest Income (FTE)	$ 261,798	$139,517	$ 112,739	$ 19,669
Provision for Loan Losses	20,524	33,237	97,069	129
Non-Interest income	149,864	28,407	9,571	36,418
Non-Interest expense	293,976	66,551	62,393	50,200
Income Taxes/FTE Adjustment	34,007	23,848	(13,003)	2,015

Net Income (Loss)	$ 63,155	$44,288	$ (24,149)	$ 3,743
BALANCE SHEET (in millions of dollars)				
Average Identifiable Assets	$ 7,068	$ 7,495	$ 7,021	$ 716
Average Deposits	$ 15,887	$ 2,124	$ 86	$ 638
2000				
Net Interest Income (FTE)	$ 259,599	$127,580	$ 97,973	$ 16,505
Provision for Loan Losses	8,351	6,701	15,452	1,031
Non-Interest income	135,348	26,561	13,564	33,404
Non-Interest expense	278,296	51,962	25,693	29,527
Income Taxes/FTE Adjustment	37,905	33,418	24,637	6,773
Net income	$ 70,395	$62,060	$ 45,755	$ 12,578
BALANCE SHEET (in millions of dollars)				
Average Identifiable Assets	$ 6,951	$ 6,964	$ 6,995	$ 593
Average Deposits	$ 16,337	$ 1,417	$ 73	$ 649

F. Derivatives

Huntington adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", on January 1, 2001. SFAS No. 133 requires that derivatives be recognized as either assets or liabilities in the balance sheet at their fair value. The accounting for gains or losses resulting from changes in fair value depends on the intended use of the derivative. For derivatives designated as hedges of changes in the fair value of recognized assets or liabilities, or unrecognized firm commitments, gains or losses on the derivative are recognized in earnings together with the offsetting losses or gains on the hedged items. This results in earnings only being impacted to the extent that the hedge is ineffective in achieving offsetting changes in fair value. For derivatives used to hedge changes in cash flows associated with forecasted transactions, gains or losses on the effective portion of the derivatives are deferred, and reported as accumulated other comprehensive income (AOCI), a component of shareholders' equity, until the period in which the hedged transactions affect earnings. Changes in the fair value of derivative instruments not designated as hedges are recognized in earnings. The after-tax transition adjustment for the adoption of SFAS No. 133 was immaterial to net income and reduced AOCI by $9.1 million.

The quantitative and qualitative disclosures related to derivatives presented in footnote F of Huntington's first quarter 2001 Form 10-Q did not materially change during the second quarter of 2001.

G. Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations", and No. 142, "Goodwill and Other Intangible Assets", effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives.

Huntington will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. The majority of Huntington's goodwill and other intangible assets relate to its operations located in Florida. In July 2001, Huntington announced that it expects to sell its Florida operations before the end of 2001. The application of the nonamortization provisions of the Statement to the goodwill not impacted by the sale is expected to result in an increase in net income of $8.9 million ($.04 per share) per year. During 2002, Huntington will perform the first of the required impairment tests of the remaining goodwill as of January 1, 2002 and has not yet determined what the effect of these tests will be on Huntington's earnings and financial position.

FINANCIAL REVIEW

LOAN PORTFOLIO COMPOSITION

(in thousands of dollars)	June 30, 2001	Dec
Commercial (unearned income $1,196; $1,538; $1,958)..........	$ 6,753,809	
Real Estate		
Construction..	1,335,208	
Commercial..	2,304,603	
Consumer		
Loans (unearned income $3,521; $4,150; $4,933)...........	6,695,233	
Leases (unearned income $520,564; $515,445; $470,868)....	3,194,592	
Residential Mortgage.....................................	844,417	
TOTAL LOANS..	$ 21,127,862	

DEPOSIT COMPOSITION

(in thousands of dollars)	JUNE 30, 2001	DEC
Demand deposits		
Non-interest bearing....................................	$ 3,258,252	
Interest bearing..	4,878,355	
Savings deposits..	3,640,318	
Certificates of deposit		
Less than $100,000......................................	5,447,117	
$100,000 or more..	1,262,827	

TOTAL CORE DEPOSITS......................................	18,486,869	
Other domestic time deposits.................................	100,233	
Foreign time deposits..	409,820	
TOTAL DEPOSITS...	$ 18,996,922	

12

13

FINANCIAL REVIEW

ANALYSIS OF NON-INTEREST INCOME

(in thousands of dollars)	THREE MONTHS ENDED JUNE 30, 2001	2000	PERCENT CHANGE	2001
Service charges on deposit accounts...........	$ 40,673	$ 40,097	1.4%	$ 79,
Brokerage and insurance income................	19,388	13,945	39.0	38,
Mortgage banking..............................	18,733	8,122	130.6	28,
Trust services................................	15,178	13,165	15.3	29,
Electronic banking fees.......................	12,217	11,250	8.6	23,
Bank Owned Life Insurance income..............	9,561	9,486	0.8	19,
Other...	14,956	19,485	(23.2)	27,
TOTAL NON-INTEREST INCOME BEFORE SECURITIES (LOSSES) GAINS............................	130,706	115,550	13.1	246,
Securities (losses) gains.....................	(2,503)	114	N.M.	(
TOTAL NON-INTEREST INCOME.....................	$ 128,203	$ 115,664	10.8%	$ 245,

ANALYSIS OF NON-INTEREST EXPENSE

(in thousands of dollars)	THREE MONTHS ENDED JUNE 30, 2001	2000	PERCENT CHANGE	2001

Personnel and related costs..................	$ 122,068	$ 104,133	17.2%	$ 239,
Equipment....................................	19,844	18,863	5.2	39,
Net occupancy................................	18,188	18,613	(2.3)	37,
Outside data processing and other services....	17,671	15,336	15.2	34,
Amortization of intangible assets............	10,435	9,206	13.4	21,
Marketing....................................	7,852	7,742	1.4	17,
Telecommunications...........................	7,207	6,472	11.4	14,
Legal and other professional services.........	6,763	4,815	40.5	11,
Printing and supplies........................	4,565	4,956	(7.9)	9,
Franchise and other taxes....................	2,246	2,635	(14.8)	4,
Other..	16,457	5,305	210.2	36,
TOTAL NON-INTEREST EXPENSE BEFORE SPECIAL CHARGE....................................	233,296	198,076	17.8	467,
Special charge...............................	33,997	---	N.M.	33,
TOTAL NON-INTEREST EXPENSE...................	$ 267,293	$ 198,076	34.9%	$ 501,

N.M. - Not Meaningful

13

14

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

INTRODUCTION

Huntington is a multi-state financial holding company headquartered in Columbus, Ohio. Its subsidiaries are engaged in full-service commercial and consumer banking, mortgage banking, lease financing, trust services, discount brokerage services, underwriting credit life and disability insurance, issuing commercial paper guaranteed by Huntington, and selling other insurance and financial products and services. Huntington's subsidiaries operate domestically in offices located in Ohio, Michigan, Florida, West Virginia, Indiana, and Kentucky. Huntington has a foreign office in each of the Cayman Islands and Hong Kong.

FORWARD-LOOKING STATEMENTS

Management's discussion and analysis of financial condition and results of operations contains forward-looking statements about Huntington, including descriptions of products or services, plans, or objectives of its management for future operations, and forecasts of its revenues, earnings, or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts.

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

Forward-looking statements speak only as of the date they are made. Huntington does not update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made or to reflect the occurrence of unanticipated events, such as further market deterioration that adversely affects credit quality, vehicle lease residual values, and/or other asset values.

The management of Huntington encourages readers of this Form 10-Q to understand forward-looking statements to be strategic objectives rather than absolute targets of future performance. The following discussion and analysis of the financial performance of Huntington for the second quarter of 2001 should be read in conjunction with the financial statements, notes, and other information contained in this document.

OVERVIEW

Huntington reported net income of $2.4 million, or $.01 per share, for the second quarter and $70.2 million, or $.28 per share, for the first six months of 2001. In the same periods last year, net income totaled $97.5 million, or $.40 per share, and $201.7 million, or $.82 per share.

The current quarter results include special charges related to Huntington's comprehensive restructuring and strategic refocus on its core Midwest markets announced July 12, 2001. This restructuring includes the intended sale of Huntington's Florida operations, the planned consolidation of forty-three branches in other states, and actions taken to strengthen Huntington's balance sheet described subsequently in this report. In conjunction with the restructuring, Huntington expects to record pre-tax restructuring and other charges of approximately $215 million ($140 million after-tax) to be taken in the second, third, and fourth quarters of 2001. The portion of the total pre-tax charge recorded in the second quarter of 2001 was $111.0 million ($72.1 million after tax).

The following table reconciles Huntington's reported results to its operating results for the three and six month periods ending June 30, 2001:

(in thousands of dollars, except per share amonuts)

	Three months ended June 30,			
	2001			200
	Reported Earnings	Restructuring and Other Charges	Operating Earnings	Report Earnin
Net interest income	$ 248,033	$ ---	$ 248,033	$ 23
Provision for loan losses	117,495	71,718	45,777	1
Non-interest income	128,203	(5,250)	133,453	11
Non-interest expense	267,293	33,997	233,296	19
Pre-tax income	(8,552)	(110,965)	102,413	13
Income taxes	(10,929)	(38,838)	27,909	3

Net income	$ 2,377	$ (72,127)	$ 74,504	$ 9
Net income per share	$ 0.01	$ (0.29)	$ 0.30	$

	Six months ended June 30,			
	2001			2
	Reported Earnings	Restructuring and Other Charges	Operating Earnings	Report Earnin
Net interest income	$ 491,157	$ ---	$ 491,157	$ 47
Provision for loan losses	150,959	71,718	79,241	3
Non-interest income	245,927	(5,250)	251,177	24
Non-interest expense	501,383	33,997	467,386	39
Pre-tax income	84,742	(110,965)	195,707	28
Income taxes	14,499	(38,838)	53,337	8
Net income	$ 70,243	$ (72,127)	$ 142,370	$ 20
Net income per share	$ 0.28	$ (0.29)	$ 0.57	$

The second quarter charges consisted of the following (pre-tax):

Provision for Loan Losses:

- $25.8 million to recognize the estimated increased losses resulting from Huntington's decision to exit certain lending businesses. These businesses consist of sub-prime automobile lending and truck and equipment leasing.

- $23.3 million to charge-off delinquent consumer and small business loans more than 120 days past due reflecting a more conservative interpretation of regulatory guidelines for charge-offs.

- $17.6 million to increase reserves for consumer bankruptcies.

- $5.0 million to increase commercial loan reserves.

Non-interest Income:

- $5.3 million loss included in securities gains and losses related to the sale of the $15 million in Pacific Gas & Electric (PG&E) commercial paper acquired from the Huntington National Bank's Money Market Mutual Fund.

Non-interest Expense (Special charge component):

- $20.0 million charge to increase the reserve for auto lease residual values.

- $12.0 million charge to write-down the value of assets representing Huntington's retained interest in automobile loans securitized in 2000. Credit losses on these loans have increased beyond the levels anticipated when the retained interest assets were recorded.

- $2.0 million in other charges.

Excluding the restructuring and other charges, earnings per share for the second quarter and first six months of 2001 were $.30 and $.57, respectively. On this same basis, Huntington's return on average assets (ROA) was 1.05% and 1.01% in the recent three and six-month periods and its return on average equity (ROE) was 12.43% and 11.98%.

Huntington's "cash basis" earnings per share (which excludes the effect of amortization of goodwill as well as restructuring and other charges) was $.33 for the quarter just ended, compared with $.42 per share in the same period last year. Cash basis ROA and ROE, which are computed using cash basis earnings as a percentage of average tangible assets and average tangible equity, were 1.19% and 13.72% for the second quarter of 2001, respectively. For the first six months of the year, cash basis ROA and ROE were 1.15% and 13.29%, respectively.

Total assets at June 30, 2001, were $27.9 billion, down 2% from the end of 2000. This trend reflects the sale of $107 million in residential mortgages during the second quarter, and the sale of $900 million in investment securities during the first half of 2000 as Huntington continued to sell low margin investment securities as part of its balance sheet repositioning efforts.

Managed total loans, which include securitized loans, increased at an annualized rate of 5% versus the first quarter of this year and 7% versus the second quarter of 2000. The growth rate in the current quarter is down from increases of 8-9% during the second half of 2000. The recent slowdown in the United States economy continues to have a significant adverse impact on consumer loan growth. Indirect automobile loan and leases increased 6% from a quarter ago compared with a 12% growth rate in the second quarter of last year. Although down from the 26% growth rate in the second quarter of 2000, home equity loan growth remained strong at 16%. Commercial loan growth slowed to 4% versus 9% in the first quarter of this year.

Core deposits totaled $18.6 billion during the second quarter, relatively unchanged from the prior quarter and the same period last year. When combined with other core funding sources, core deposits provide 80% of Huntington's funding needs.

RESULTS OF OPERATIONS

This discussion addresses earnings on an operating basis.

NET INTEREST INCOME

Net interest income for the three and six months ended June 30, 2001 was $248.0 million and $491.2 million, respectively. Compared with the immediately preceding quarter, net interest income increased $4.9 million, as the net interest margin expanded four basis points to 3.97%. Almost all of the increase related to increased loan fees primarily from automobile loans and leases as volume picked up from the first quarter level. Compared with the same periods of 2000, net interest income increased $15.2 million in the second quarter and was up $17.7 million on a year-to-date basis. The net interest margin also increased 25 basis points compared to last year's second quarter. Huntington was slightly liability sensitive at the end of 2000 and accordingly benefited from the decline in short-term rates during the first half of this year. Additionally, the aforementioned sale of low margin investment securities contributed to the increase in the net interest margin versus a year ago. Huntington's interest rate risk position is further discussed in the "Interest Rate Risk Management" section of this report.

PROVISION FOR LOAN LOSSES

The provision for loan losses is the charge to pre-tax earnings necessary to maintain the allowance for loan losses (ALL) at a level adequate to absorb management's estimate of inherent losses in the loan portfolio. On an operating basis, the provision for loan losses was $45.8 million for the second quarter and $79.2 million for the first six months of 2001, representing significant increases versus to same periods of 2000 due to increased charge-offs. On the same basis, annualized net charge-offs for the current quarter increased to .73% from .55% for the first quarter 2001 and .30% for the second quarter one year ago. Charge-offs increased in both the commercial and consumer loan portfolios and reflects the negative impacts of weakening economic conditions over the past year on Huntington's loan customers. Commercial charge-offs increased to .67% in the recent quarter versus .41% in the immediately preceding quarter and .15% in the same period last year. Consumer charge-offs also increased significantly to .95% in the second quarter, up 17 basis points from the first quarter and twice the level in the second quarter of 2000. The increases were primarily due to higher indirect automobile loan and lease losses. A lower quality origination mix in the fourth quarter of 1999 through the second quarter of 2000, the economic slowdown, and an increase in the average loss per vehicle due to lower used car prices all contributed to the unfavorable trend.

NON-INTEREST INCOME

Non-interest income, excluding securities gains, totaled $130.7 million for the recent three months and $246.4 million for the first half of 2001 representing increases of 13% and 14%, respectively, compared with the same periods a year ago. All categories except the "other" component of non-interest income were up during the recent quarter versus the second quarter of 2000. Categories showing improvement were led by mortgage banking income, up 131% due to strong mortgage origination volume in the prevailing lower interest rate environment. Mortgage banking results for the quarter just ended also included a $2.0 million gain on the sale of $107 million of portfolio loans. Additionally, brokerage and insurance income increased 39% on strong fixed annuity sales and reflecting the acquisition of J. Rolfe Davis Insurance Agency, Inc. (JRD). Trust income also improved 15% indicative of increased revenue from Huntington's proprietary mutual funds as five new funds were added in addition to price increases. The reduction in the "other" component of non-interest income reflects lower securitization activity.

NON-INTEREST EXPENSE

Non-interest expense, excluding restructuring and other charges, totaled $233.3 million in the second quarter versus $198.1 million in the second three months of 2000. For the first six months, non-interest expense increased 17%. The increase in second quarter expenses from a year ago was due to several factors, including accrual adjustments made in 2000 totaling $9.8 million that resulted in an unusually low expense base in the second quarter of last year. The remaining increase was primarily due to higher sales commissions consistent with the growth in fee income and other personnel related costs. Additionally, premiums paid for insurance on Huntington's auto lease residual values and the impact of purchase acquisitions also drove expenses higher in the recent quarter. While some progress has been made in reducing costs, as evidenced by the efficiency ratio dropping from 62% in the first quarter to 58.6% in the recent period, Huntington recognizes the need for further improvements in its cost structure. Management expects the benefits associated with its previously announced non-interest expense program to positively impact the second half of this year results.

LINES OF BUSINESS

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

RETAIL BANKING

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

Retail Banking net income was $31.5 million and $63.2 million for the second quarter and the first six months of 2001, respectively. These results include special charge related provision for loan losses of $5.7 million pre-tax. Excluding special charges, net income was $35.4 million during the second quarter of 2001, up slightly from the same period last year. The 21% increase in non-interest income from the year ago second quarter reflects a $9.9 million increase in mortgage banking income, which benefited from the lower interest rate environment. Non-interest expense increased $10.4 million due to higher commissions consistent with the increased mortgage fee income and increases in other personnel related costs. The retail segment contributed 48% of Huntington's net operating income (net income excluding the restructuring and other charges) for the quarter and comprised 30% of its total loan portfolio and 11% of its core deposits.

CORPORATE BANKING

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

Corporate Banking reported net income of $18.2 million and $44.3 million for the second quarter and the first six months of 2001, respectively. These results include special charge related provision for loan losses of $5.0 million. Excluding special charges, net income was $21.5 million during the second quarter of 2001, down $12.1 million from the same period last year. On this same basis, revenues increased 6% as loan growth drove higher net interest income. Offsetting the revenue growth was a $14.6 million increase (excluding the $5.0 million special charge) in the provision for loan losses due to higher charge-offs. Non-interest expense also increased $9.0 million. Corporate Banking contributed 29% of Huntington's net operating income for the quarter and comprised 36% of its total loan portfolio and 11% of its core deposits.

DEALER SALES

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

Dealer Sales reported net losses of $42.7 million for the recent quarter and $24.1 million for the first six months of the year. Special pre-tax charges totaling $93.0 million ($60.5 million after-tax) are included in these results. The pre-tax charges include $61.0 million in the

provision for loan losses related to exiting the sub-prime automobile and truck and equipment lending businesses ($25.8 million), the charge-off of 120 day delinquent loans ($19.6 million), and reserves for increased bankruptcies ($15.6 million). Pre-tax charges totaling $32.0 million are also included in non-interest expense. The charges include $20.0 million to increase reserves for lease residual values and $12.0 million to write-down securitization related assets. The special charges are described in more detail in the "Overview" section of this report. On an operating basis, Dealer Sales earnings were $17.8 million for the second quarter, down $6.7 million from the second quarter of 2001. The $10.3 million increase in net interest income reflects loan growth and wider loan and lease spreads as funding costs have fallen faster than loan and lease rates in the recent declining rate environment. Excluding the special charge items, the provision for loan losses increased $12.6 million from the year ago second quarter as net charge-offs increased to 1.43% of average loans versus .66% in the second quarter of 2000. The lower non-interest income reflects a reduction in securitization activity. The increase in expenses primarily reflects premiums paid for insurance on Huntington's auto lease residual values. Dealer Sales contributed 24% of Huntington's net operating income for the quarter and comprised 31% of its outstanding loans.

PRIVATE FINANCIAL GROUP

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

PFG reported a net loss of $.6 million for the quarter just ended, and net income of $3.7 million for the first six months of 2001. These results include the $5.3 million loss on the sale of PG&E commercial paper included in the restructuring and other charges recorded in the second quarter. On an operating basis, earnings were $2.8 million for the recent quarter. Increases in fee income (excluding the $5.3 million charge) and expenses primarily reflect the impact of the acquisition of JRD, in August of 2000. This segment represented 4% of Huntington's quarterly net operating income and 3% of total loans.

TREASURY / OTHER

Huntington uses a match-funded transfer pricing system to allocate interest income and interest expense to its business segments. This approach consolidates the interest rate risk management of Huntington into its Treasury Group. As part of its overall interest rate risk and liquidity management strategy, the Treasury Group administers an investment portfolio of approximately $3.2 billion. Revenue and expense associated with these activities remain within the Treasury Group. Additionally, the Treasury/Other segment absorbs unassigned assets, liabilities, equity, revenue, and expense that cannot be directly assigned or allocated to one of Huntington's lines of business. Amortization expense of intangible assets is also a significant component of Treasury/Other.

This segment's results were a net loss of $4.1 million and $16.8 million in the recent three and six month periods. Lower net interest income reflects the balance sheet repositioning mentioned earlier. As more fully discussed later, the sensitivity of net interest income to

changing interest rates is down from previous periods, consistent with Huntington's goal of a more stable revenue base. Non-interest income for six months includes securities gains of $4.8 million versus $24.9 million in last year's second quarter. The 2000 gains included gains of $32.2 million related to the sale of a portion of Huntington's investment in S1 Corporation common stock, offset by losses from the sale of lower yielding investment securities. The first six months of 2000 results also included a $10.2 million loss on automobile securitizations.

INTEREST RATE RISK MANAGEMENT

Huntington seeks to achieve consistent growth in net interest income and net income while managing volatility arising from shifts in interest rates. The Asset and Liability Management Committee (ALCO) oversees financial risk management, establishing broad policies and specific operating limits that govern a variety of financial risks inherent in Huntington's operations, including interest rate, liquidity, counterparty, settlement, and market risks. On and off-balance sheet strategies and tactics are reviewed and monitored regularly by ALCO to ensure consistency with approved risk tolerances.

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

Measurement and monitoring of interest rate risk is an ongoing process.

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

The results of Huntington's recent sensitivity analysis indicated that net interest income would increase .3% if rates gradually declined 100 basis points from June 30, 2001 levels and would drop .5% if rates rose 100 basis points. If rates declined 200 basis points, Huntington would benefit .8%. If rates increased 200 basis points, net interest income would be expected to decline 1.1%, versus the year-end 2000 sensitivity of 3.0% to a 200 basis point increase. The decline in sensitivity over the past year was primarily due to the previously mentioned sales of low margin fixed rate investment securities. These sales were part of management's effort to restructure the balance sheet and reduce sensitivity to interest rate changes stabilizing Huntington's revenue base.

CREDIT RISK

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

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

Total NPAs were $166.0 million at June 30, 2001, compared with $124.9 million at March 31, 2001, and $95.1 million a year ago. As of the same dates, NPAs as a percent of total loans and other real estate were .79%, .60%, and .46%. The increase in the recent quarter was due in large part to two credits, $16 million related to an assisted living/healthcare operation and $14 million to a retailer of farm and agricultural equipment.

Loans past due ninety days or more but continuing to accrue interest declined to $67.1 million at June 30, 2001, from $102.7 million at March 31, 2001. This represented .32% and .49% of total loans, respectively. Approximately ten basis points of this decline were attributable to the acceleration of charge-offs in the consumer portfolio taken as part of the special charge as mentioned previously.

The ALL is maintained at a level considered appropriate by management, based on its estimate of losses inherent in the loan portfolio. The procedures employed by Huntington to evaluate the adequacy of the ALL include an analysis of specific credits and the application of relevant reserve factors that represent relative risk (based on portfolio trends, current and historic loss experience, and prevailing economic conditions) to specific portfolio segments. Specific reserves are established on larger, impaired commercial and industrial and commercial real estate credits and are based on discounted cash flow models using the loan's initial effective rate or the fair value of the collateral for collateral-dependent loans. Allocated reserves include management's assessment of portfolio performance, internal controls, impacts from mergers and acquisitions, and other pertinent risk factors. For analytical purposes, the ALL has been allocated to various portfolio segments. However, the total ALL, less the portion attributable to reserves as prescribed under provisions of SFAS No. 114, is available to absorb losses from any segment of the portfolio. Unallocated reserves are based on levels of criticized/classified assets, delinquencies in the accruing loan portfolios, and the level of nonperforming loans. Total unallocated reserves were 11% at June 30, 2001, versus 17% one year ago.

The ALL reserve ratio was 1.67% at the recent quarter end versus 1.45% at the most recent year-end and second quarter of last year. As of June 30, 2001, the ALL covered non-performing loans approximately 2.3 times and when combined with the allowance for other real estate owned, was 211% of total nonperforming assets.

CAPITAL

Huntington places significant emphasis on the maintenance of strong capital, which promotes investor confidence, provides access to the national markets under favorable terms, and enhances business growth and acquisition opportunities. Huntington also recognizes the importance of managing capital and continually strives to maintain an appropriate balance between capital adequacy and returns to shareholders. Capital is managed at each subsidiary based upon the respective risks and growth opportunities, as well as regulatory requirements. Huntington's average equity to average assets increased to 8.48% in the recent quarter from 7.72% in the same three months of last year. Excluding unrealized losses on securities available for sale and derivatives, tangible equity to assets was 5.97% at quarter end versus 5.78% a year ago.

Risk-based capital guidelines established by the Federal Reserve Board set minimum capital requirements and require institutions to calculate risk-based capital ratios by assigning risk weightings to assets and off-balance sheet items, such as interest rate swaps, loan commitments, and securitizations. These guidelines further define "well-capitalized" levels for Tier 1, total capital, and leverage ratio purposes at 6%, 10%, and 5%, respectively. At the recent quarter-end, Huntington's Tier 1 risk-based capital ratio was 7.01%, total risk-based capital ratio was 10.20%, and the leverage ratio was 6.96%. Huntington's bank subsidiary also had regulatory capital ratios in excess of the levels established for well-capitalized institutions.

During the second quarter of 2000, Huntington's Board of Directors authorized the purchase of an additional 11 million shares under Huntington's common stock repurchase program. Repurchased shares are being reserved for reissue in connection with Huntington's dividend reinvestment and employee benefit plans as well as for stock dividends, acquisitions, and other corporate purposes. During 2000, Huntington repurchased approximately 8.8 million shares of its common stock through open market and privately negotiated transactions. Approximately 7.2 million of these shares were reissued in connection with the acquisitions of Empire and JRD. As of June 30, 2001, approximately 15.3 million shares remained available under the authorization. Huntington has not repurchased any shares since September 30, 2000.

Huntington's comprehensive restructuring announced July 12, 2001 included several actions to strengthen Huntington's capital position. The sale of the Florida operations is expected to free up significant capital, which Huntington expects to use to increase its capital position to a minimum tangible equity to asset ratio of 6.5%, to repurchase shares, and for other corporate purposes. Huntington also will reduce the cash dividend by 20% to bring its payout ratio more in line with industry peers. In addition to these announcements, Huntington will not declare a stock dividend in 2001 as it has done historically.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures for the current period are found on pages 21 and 22 of this report, which includes changes in market risk exposures from disclosures presented in Huntington's Annual Report on Form 10-K for the year ended December 31, 2000.

FINANCIAL REVIEW

SECURITIES AVAILABLE FOR SALE - AMORTIZED COST & FAIR VALUES BY MATURITY AT JUNE 30, 2001 AND DEC

(in thousands of dollars)	JUNE 30, 2001		
	AMORTIZED COST	FAIR VALUE	AMORTI COS
U.S. TREASURY			
Under 1 year........................	$ 2,553	$ 2,580	$
1-5 years	1,504	1,611	
6-10 years..........................	6,414	6,656	
Over 10 years.......................	413	424	
Total............................	10,884	11,271	

Federal agencies			
Mortgage-backed securities			
1-5 years...........................	39,217	38,997	
6-10 years..........................	33,994	34,486	
Over 10 years.......................	934,600	936,381	1,5
Total	1,007,811	1,009,864	1,5
Other agencies			
Under 1 year........................	---	---	
1-5 years...........................	951,043	952,111	1,0
6-10 years..........................	76,209	75,870	1
Over 10 years.......................	498,949	500,701	5
Total...........................	1,526,201	1,528,682	1,7
Total U.S. Treasury and Federal Agencies	2,544,896	2,549,817	3,3
Other			
Under 1 year........................	12,795	12,840	
1-5 years...........................	182,976	184,156	2
6-10 years..........................	46,043	45,008	
Over 10 years.......................	355,245	348,830	4
Marketable equity securities........	55,858	50,035	
Total	652,917	640,869	8
Total Securities Available for Sale......	$ 3,197,813	$ 3,190,686	$ 4,1

CONSOLIDATED FINANCIAL HIGHLIGHTS
(in thousands, except per share amounts)

FOR THE THREE MONTHS ENDED JUNE 30,	2001	2000	% Change
NET INCOME(1)	$ 74,504	$ 97,521	(23.6)%
PER COMMON SHARE AMOUNTS(2)			
Net income			
Basic	$ 0.30	$ 0.40	(25.0)
Diluted	$ 0.30	$ 0.40	(25.0)
Cash dividends declared	$ 0.20	$ 0.18	11.1
AVERAGE COMMON SHARES OUTSTANDING-DILUTED(2)	251,448	245,652	2.4
KEY RATIOS			
Return on:			
Average total assets	1.12%	1.37%	(18.2)
Average shareholders' equity	13.15%	17.79%	(26.1)
Efficiency ratio	58.59%	53.90%	8.7
Average equity/average assets	8.48%	7.72%	9.8
Net interest margin	3.97%	3.72%	6.7

TANGIBLE OR "CASH BASIS" RATIOS(3)			
Net Income Per Common Share -- Diluted(2)	$ 0.33	$ 0.42	(21.4)
Return on:			
Average total assets	1.19%	1.49%	(20.1)
Average shareholders' equity	13.72%	18.97%	(27.7)

FOR THE SIX MONTHS ENDED JUNE 30,	2001	2000	% Change
NET INCOME(1)	$ 142,370	$ 201,694	(29.4)%
PER COMMON SHARE AMOUNTS(2)			
Net income			
Basic	$ 0.57	$ 0.82	(30.5)
Diluted	$ 0.57	$ 0.82	(30.5)
Cash dividends declared	$ 0.40	$ 0.36	11.1
AVERAGE COMMON SHARES OUTSTANDING-DILUTED(2)	251,479	247,431	1.6
KEY RATIOS			
Return on:			
Average total assets	1.01%	1.41%	(28.4)
Average shareholders' equity	11.98%	18.39%	(34.9)
Efficiency ratio	60.23%	53.91%	11.7
Average equity/average assets	8.47%	7.67%	10.4
Net interest margin	3.96%	3.75%	5.6
TANGIBLE OR "CASH BASIS" RATIOS(3)			
Net Income Per Common Share -- Diluted(2)	$ 0.63	$ 0.87	(27.6)
Return on:			
Average total assets	1.15%	1.53%	(24.8)
Average shareholders' equity	13.29%	19.57%	(32.1)

(1) Income component excludes the after-tax impact of $72,127 of Restructuring and Other Charges.

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

(3) Tangible or "Cash Basis" net income excludes amortization of goodwill. Related asset amount excluded from total assets and shareholders' equity.

26

27

Financial Review

LOAN LOSS EXPERIENCE

(in thousands of dollars)	THREE MONTHS ENDED JUNE 30,		S
	2001	2000	20
	(1)		(

ALLOWANCE FOR LOAN LOSSES, BEGINNING OF PERIOD	$ 301,777	$ 296,743	$ 297
Allowance of assets acquired/other	---	7,900	
Loan losses	(75,472)	(22,810)	(111
Recoveries of loans previously charged off	10,007	7,280	17
Allowance of securitized loans	(1,564)	(8,056)	(3
Provision for loan losses	117,495	15,834	150
ALLOWANCE FOR LOAN LOSSES, END OF PERIOD	$ 352,243	$ 296,891	$ 352
AS A % OF AVERAGE TOTAL LOANS			
Net loan losses--annualized	1.25%	0.30%	0
Net loan losses--annualized excluding special charges	0.73%	0.30%	0
Provision for loan losses--annualized	2.24%	0.31%	1
Allowance for loan losses as a % of total sales	1.67%	1.45%	1
Net loan loss coverage (2)	2.26x	9.68x	2

(1) Including Restructuring and Other Charges unless otherwise indicated.
(2) Income or loss before taxes (excluding significant items) and the provision for loan losses to net loan losses.

NON-PERFORMING ASSETS AND PAST DUE LOANS

	2001		
(in thousands of dollars)	II Q	I Q	IV Q
Non-accrual loans:			
Commercial	$ 116,044	$ 62,716	$ 55,804
Real Estate			
Construction	4,572	6,735	8,687
Commercial	22,298	28,158	18,015
Residential	11,868	11,949	10,174
Total Nonaccrual Loans	154,782	109,558	92,680
Renegotiated loans	1,290	1,297	1,304
TOTAL NON-PERFORMING LOANS	156,072	110,855	93,984
Other real estate, net	9,913	14,031	11,413
TOTAL NON-PERFORMING ASSETS	$ 165,985	$ 124,886	$ 105,397
NON-PERFORMING LOANS AS A % OF TOTAL LOANS	0.74%	0.53%	0.46
NON-PERFORMING ASSETS AS A % OF TOTAL LOANS AND OTHER REAL ESTATE	0.79%	0.60%	0.51
ALLOWANCE FOR LOAN LOSES AS A % OF NON-PERFORMING LOANS	225.69%	272.23%	316.95
ALLOWANCE FOR LOAN LOSSES AND OTHER REAL ESTATE AS A % OF NON-PERFORMING ASSETS	211.20%	239.42%	279.16
ACCRUING LOANS PAST DUE 90 DAYS OR MORE	$ 67,077	$ 102,658	$ 80,306

27

28

CONSOLIDATED AVERAGE BALANCES AND INTEREST RATES (QUARTERLY DATA)

Fully Tax Equivalent Basis (1) (in millions of dollars)	2ND QUARTER 2001 AVERAGE BALANCE	2ND QUARTER 2001 YIELD/ RATE
ASSETS		
Interest bearing deposits in banks	$ 5	5.09 %
Trading account securities	39	5.15
Federal funds sold and securities purchased under resale agreements	93	4.21
Loans held for sale	420	6.96
Securities: (3)		
Taxable	3,368	6.26
Tax exempt	201	7.26
Total Securities	3,569	6.32
Loans:		
Commercial	6,741	7.44
Real Estate		
Construction	1,303	7.43
Commercial	2,294	7.92
Consumer		
Loans	6,553	8.57
Leases	3,189	6.71
Residential Mortgage	942	7.72
Total Consumer	10,684	7.94
Total Loans	21,022	7.75
Allowance for loan losses	316	
Net loans (2)	20,706	8.31
Total earning assets	25,148	7.98 %
Cash and due from banks	903	
All other assets	2,607	
Total Assets	$ 28,342	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Core deposits		
Non-interest bearing deposits	$3,245	
Interest bearing demand deposits	4,799	2.87 %

Savings deposits	3,547	3.42
Certificates of deposit	7,011	5.74
Total core deposits	18,602	3.55
Other domestic time deposits	118	5.57
Foreign time deposits	377	4.11
Total deposits	19,097	3.58
Short-term borrowings	2,759	4.37
Medium-term notes	2,005	6.59
Subordinated notes and other long-term debt, including preferred capital securities	1,180	5.96
Total interest bearing liabilities	21,796	4.62%
All other liabilities	898	
Shareholders' equity	2,403	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 28,342	
Net interest rate spread		3.36 %
Impact of non-interest bearing funds on margin		0.61 %
NET INTEREST MARGIN		3.97 %

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

(2) Net loan rate includes loan fees, whereas individual loan components above are shown exclusive of fees.

(3) Yields are based on amortized cost.

28

29

CONSOLIDATED AVERAGE BALANCES AND INTEREST RATES (QUARTERLY DATA)

4th Quarter 2000 Average Balance	4th Quarter 2000 Yield/ Rate	3rd Quarter 2000 Average Balance	3rd Quarter 2000 Yield/ Rate	2nd Quart Average Balance
$ 5	5.50 %	$ 5	6.13 %	$ 6
17	6.56	11	6.54	18
85	6.53			
129	7.74	136	6.43	105
		99	8.51	99
4,410	6.31			
264	7.53	4,273	6.33	4,067
		270	7.57	276
4,674	6.38			
		4,543	6.40	4,343

6,543	8.65	6,454	8.74	6,439
1,306	8.87	1,283	8.88	1,254
2,227	8.64	2,193	8.60	2,172
6,425	8.90	6,392	8.82	6,530
3,049	6.92	2,976	6.79	2,895
940	7.94	1,325	7.64	1,473
10,414	8.24	10,693	8.11	10,898
20,490	8.45	20,623	8.41	20,763
302		302		302
20,188	8.96	20,321	8.90	20,461
25,400	8.47 %	25,417	8.43 %	25,334
960		968		1,046
2,597		2,615		2,496
$ 28,655		$ 28,698		$ 28,574
$ 3,308		$ 3,425		$ 3,485
4,496	3.62 %	4,385	3.47 %	4,228
3,498	4.28	3,528	4.14	3,583
7,522	6.07	7,450	5.94	7,247
18,824	4.96	18,788	4.82	18,543
365	6.68	433	6.55	506
322	6.37	561	6.63	626
19,511	5.02	19,782	4.93	19,675
2,133	6.00	2,014	6.12	1,761
2,665	6.85	2,592	6.81	3,042
1,171	7.42	1,171	7.39	1,148
22,172	5.46 %	22,134	5.39 %	22,141
822		787		743
2,353		2,352		2,205
$ 28,655		$ 28,698		$ 28,574
	3.01 %		3.04 %	
	0.69 %		0.70 %	
	3.70 %		3.74 %	

Selected Quarterly Income Statement Data

(in thousands of dollars, except per share amounts) (1)	2001 II Q	2001 I Q	IV Q
TOTAL INTEREST INCOME	$498,959	$517,975	$537,661
TOTAL INTEREST EXPENSE	250,926	274,851	304,595
NET INTEREST INCOME	248,033	243,124	233,066
Provision for loan losses	45,777	33,464	32,548
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	202,256	209,660	200,518
Service charges on deposit accounts	40,673	38,907	39,248
Brokerage and insurance income	19,388	18,768	17,078
Mortgage banking	18,733	10,031	11,976
Trust services	15,178	14,314	14,404
Electronic banking fees	12,217	11,098	11,546
Bank Owned Life Insurance income	9,561	9,560	11,086
Other	14,956	12,968	24,366
TOTAL NON-INTEREST INCOME BEFORE SECURITIES GAINS	130,706	115,646	129,704
Securities gains	2,747	2,078	845
TOTAL NON-INTEREST INCOME	133,453	117,724	130,549
Personnel and related costs	122,068	117,662	105,810
Equipment	19,844	19,972	20,811
Net occupancy	18,188	19,780	18,614
Outside data processing and other services	17,671	16,654	16,142
Amortization of intangible assets	10,435	10,576	10,494
Marketing	7,852	9,939	10,592
Telecommunications	7,207	7,125	6,524
Legal and other professional services	6,763	4,969	6,785
Printing and supplies	4,565	5,059	5,212
Franchise and other taxes	2,246	2,120	3,163
Other	16,457	20,234	19,703
TOTAL NON-INTEREST EXPENSE	233,296	234,090	223,850
INCOME BEFORE INCOME TAXES	102,413	93,294	107,217
Provision for income taxes	27,909	25,428	30,995

NET INCOME	$ 74,504	$ 67,866	$ 76,222
PER COMMON SHARE (2)			
Net income			
Diluted	$ 0.30	$ 0.27	$ 0.30
Diluted - Cash Basis	$ 0.33	$ 0.30	$ 0.33
Cash Dividends Declared	$ 0.20	$ 0.20	$ 0.20
FULLY TAX EQUIVALENT MARGIN:			
Net Interest Income	$248,033	$243,124	$233,066
Tax Equivalent Adjustment (3)	1,616	2,002	2,057
Tax Equivalent Net Interest Income	$249,649	$245,126	$235,123

(1) Excludes the after-tax impact of Restructuring and Other Charges ($72,127 in 2Q 2001 and $32,500 in 3Q 2000)
(2) Adjusted for stock splits and stock dividends, as applicable.
(3) Calculated assuming a 35% tax rate.

30

31

Stock Summary, Key Ratios and Statistics, and Regulatory Capital Data

QUARTERLY COMMON STOCK SUMMARY (1)

	2001		2000		
	II Q	I Q	IV Q	III Q	II Q
High	$17.000	$18.000	$16.375	$18.813	$21.307
Low	13.875	12.625	12.516	14.375	14.091
Close	16.375	14.250	16.188	14.688	14.375
Cash dividends declared	$ 0.20	$ 0.20	$ 0.20	$ 0.20	$ 0.18

Note: Stock price quotations were obtained from NASDAQ.

KEY RATIOS AND STATISTICS

MARGIN ANALYSIS - AS A % OF AVERAGE EARNING ASSETS (2)	2001 II Q	2001 I Q	2000 IV Q	2000 III Q	2000 I
Interest Income	7.98%	8.39%	8.47%	8.43%	8
Interest Expense	4.01%	4.46%	4.77%	4.69%	4
Net Interest Margin	3.97%	3.93%	3.70%	3.74%	3
RETURN ON (3)					
Average total assets	1.05%	0.97%	1.06%	1.15%	1
Average total assets - cash basis	1.19%	1.11%	1.19%	1.29%	1
Average shareholders' equity	12.43%	11.53%	12.89%	14.04%	17
Average shareholders' equity - cash basis	13.72%	12.86%	14.20%	15.33%	18
Efficiency Ratio (3)	58.59%	61.95%	58.48%	58.38%	53
Effective tax rate (3)	27.25%	27.26%	28.91%	25.19%	27

REGULATORY CAPITAL DATA

(in millions of dollars)	2001 II Q	2001 I Q	2000 IV Q	2000 III Q
Total Risk-Adjusted Assets	$27,375	$27,230	$26,880	$26,370
Tier 1 Risk-Based Capital Ratio....	7.01%	7.19%	7.19%	7.20%
Total Risk-Based Capital Ratio.....	10.20%	10.31%	10.46%	10.64%
Tier 1 Leverage Ratio	6.96%	7.12%	6.93%	6.80%
Tangible Equity/Asset Ratio	5.97%	6.01%	5.87%	5.73%

(1) Adjusted for stock splits and stock dividends, as applicable.
(2) Presented on a fully tax equivalent basis assuming a 35% tax rate.
(3) Income component excludes the impact of Restructuring and Other Charges.

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 4. Submission of Matters to a Vote of Security Holders

Huntington Bancshares Incorporated held its annual meeting of shareholders on April 19, 2001. At that meeting, shareholders approved the following management proposals:

	FOR	AGAINST	ABSTAIN/ WITHHELD
1. Election of directors to serve as Class II Directors until the year 2004 Annual Meeting of Shareholders as follows:			
Don Conrad	201,442,233		14,671,879
George A. Sketos	201,774,563		14,339,548
Lewis R. Smoot, Sr.	202,252,044		13,862,067
Frank Wobst	185,160,133		30,953,979
2. Election of director to serve as Class I Director until the year 2003 Annual Meeting of Shareholders as follows:			
Thomas E. Hoaglin	205,458,893		10,655,218
3. Ratification of Ernst & Young LLP to serve as independent auditors for the Corporation for the year 2001	208,710,017	5,661,254	1,742,841
4. Proposal to approve the 2001 Stock and Long-Term Incentive Plan	179,492,780	31,921,220	4,700,111

5. Shareholder Proposal to engage an Investment Banking firm to evaluate

alternatives to enhance shareholder value	33,048,401	131,180,958	7,855,672

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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:

(s) * Severance Agreement and Release and Waiver of All Claims made by and between Huntington Bancshares Incorporated and Peter E. Geier.

(t) * Retirement Agreement between Frank Wobst and Huntington Bancshares Incorporated.

99. Earnings to Fixed Charges

(b) Reports on Form 8-K

1. A report on Form 8-K, dated April 17, 2001, was filed under report item numbers 5 and 7, concerning Huntington's results of operations for the first quarter and year ended March 31, 2001.

2. A report on Form 8-K, dated April 19, 2001, was filed under report item number 5, announcing that Frank Wobst will be retiring as an employee of Huntington Bancshares Incorporated, but will continue as chairman of

the Boards of both Huntington Bancshares Incorporated and Huntington National Bank in a non-employee capacity.

3. A report on Form 8-K, dated May 22, 2001, was filed under report item number 5, announcing the resignation of Martin Mahan as Executive Vice President for Huntington National Bank in charge of Retail Banking.

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* Denotes management contracts 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: August 14, 2001

/s/ Richard A. Cheap
Richard A. Cheap
General Counsel and Secretary

Date: August 14, 2001

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