

Huntington Bancshares Incorporated Reports 2023 Fourth-Quarter Earnings

***Q4 Results Highlighted by Sustained Deposit and Loan Growth, Capital Expansion,
and Strong Credit Quality***

2023 Fourth-Quarter Highlights:

- Earnings per common share (EPS) for the quarter were \$0.15, lower by \$0.20 from the prior quarter, and were lower by \$0.27 from the year-ago quarter. Excluding the after tax impact of Notable Items, primarily related to the FDIC Deposit Insurance Fund special assessment, adjusted earnings per common share were \$0.27. Additionally, the mark-to-market of the pay-fixed swaptions hedging program during the quarter reduced pre-tax income by \$74 million, or \$0.04 on an EPS basis.
- Net interest income decreased \$52 million, or 4%, from the prior quarter, and decreased \$146 million, or 10%, from the year-ago quarter.
- Noninterest income decreased \$104 million, or 20%, from the prior quarter, to \$405 million. Noninterest income in the fourth quarter was reduced by \$74 million, compared to an increase of \$33 million in the third quarter due to the mark-to-market on pay-fixed swaptions. Excluding the impact of mark-to-market on pay-fixed swaptions, noninterest income increased \$3 million compared to the prior quarter.
- Cash and cash equivalents and available contingent borrowing capacity totaled \$93 billion at December 31, 2023, and represented 206% of uninsured deposits.
- Average total deposits increased \$1.5 billion, or 1%, from the prior quarter and \$4.0 billion, or 3%, from the year-ago quarter.
 - Ending total deposits increased \$2.4 billion, or 2%, from the prior quarter and \$3.3 billion, or 2%, from the year-ago quarter.
 - Ending core deposits increased \$1.2 billion, or 1%, from the prior quarter reflecting continued momentum in consumer deposit gathering and ongoing focus on acquiring and deepening primary bank relationships.
- Average total loans and leases increased \$445 million from the prior quarter to \$121.2 billion, and increased \$2.3 billion, or 2%, from the year-ago quarter.
 - Average total consumer loans increased \$320 million and average total commercial loans and leases increased \$125 million from the prior quarter.
- Net charge-offs of 0.31% of average total loans and leases for the quarter.
- Nonperforming asset ratio of 0.58%.
- Allowance for credit losses (ACL) of \$2.4 billion, or 1.97%, of total loans and leases at quarter end.
- Common Equity Tier 1 (CET1) risk-based capital ratio increased 15 basis points to 10.25%, continuing the trend of capital expansion. Adjusted Common Equity Tier 1, including the effect of AOCI, was 8.58%, an increase of 58 basis points from the prior quarter.
- Tangible common equity (TCE) ratio increased 44 basis points from the prior quarter to 6.14% and increased 59 basis points from a year ago.

- As previously announced, Huntington completed a synthetic Credit Risk Transfer ("CRT") transaction during the fourth quarter related to an approximately \$3 billion portfolio of on-balance sheet prime indirect auto loans as part of the company's capital optimization strategy. The transaction reduced risk-weighted assets by approximately \$2.4 billion, with the risk-weight moving from 100% to 20% on the selected pool of assets.

COLUMBUS, Ohio, Jan. 19, 2024 /PRNewswire/ -- Huntington Bancshares Incorporated (Nasdaq: HBAN) reported net income for the 2023 fourth quarter of \$243 million, or \$0.15 per common share, a decrease of \$402 million, or \$0.27, from the year-ago quarter. Adjusted earnings per common share were \$0.27, excluding \$0.12 per common share of after-tax Notable Items, in the 2023 fourth quarter compared to \$0.43, excluding \$0.01 of after-tax Notable Items, in the year-ago quarter.



Return on average assets was 0.51%, return on average common equity was 5.2%, and return on average tangible common equity (ROTCE) was 8.4%.

CEO Commentary:

"We are pleased to deliver fourth quarter results highlighted by the continuation of our organic growth efforts with sustained deposit and loan growth as well as the further expansion of common equity tier 1 capital," said Steve Steinour, chairman, president, and CEO. "We are entering the new year from a position of strength with robust liquidity and capital, which allows us to remain focused on executing our growth strategy and serving our customers. We are maintaining our disciplined approach to managing credit quality, consistent with our aggregate moderate-to-low risk appetite, and believe Huntington is well-positioned as we operate through this dynamic environment.

"2023 was marked by the successful execution of key strategic initiatives, as Huntington outperformed during a dynamic environment for the banking sector. The company delivered sustained deposit growth over the course of the year, bolstered capabilities across our payments and other fee revenue areas, and completed the re-alignment of business segments to enhance our focus on the customer and drive efficiencies. Additionally, we bolstered our specialty banking expertise through the addition of new teams and expanded our commercial and regional bank into the Carolinas.

"While the macro outlook continues to play out, we believe the operating environment today is generally more constructive compared to last quarter. Customers are generally well positioned and are continuing to invest in their businesses.

"As a result, we are seeing attractive growth opportunities as we move into 2024, and are positioned to accelerate our loan growth forecast given these dynamics. We are leveraging our leading brand and trust metrics, to build on our growth momentum. We intend to capitalize on our position of strength and to further acquire and deepen customer relationships. These efforts will result in continued growth of revenue and profitability over

the course of the year and beyond."

The fourth quarter 2023 earnings materials, including the detailed earnings press release, quarterly financial supplement, and conference call slide presentation, are available on the Investor Relations section of Huntington's website, <http://huntington.com/>. In addition, the financial results will be furnished on a Form 8-K that will be available on the Securities and Exchange Commission website at www.sec.gov.


Conference Call / Webcast Information

Huntington's senior management will host an earnings conference call on January 19, 2024, at 9:00 a.m. (Eastern Time). The call may be accessed via a live Internet webcast at the Investor Relations section of Huntington's website, www.huntington.com, or through a dial-in telephone number at (877) 407-8029; Conference ID #13743211. Slides will be available in the Investor Relations section of Huntington's website about an hour prior to the call. A replay of the webcast will be archived in the Investor Relations section of Huntington's website. A telephone replay will be available approximately two hours after the completion of the call through January 27, 2024 at (877) 660-6853 or (201) 612-7415; conference ID #13743211.

Please see the 2023 Fourth Quarter Quarterly Financial Supplement for additional detailed financial performance metrics. This document can be found on the Investor Relations section of Huntington's website, <http://www.huntington.com>.

About Huntington

Huntington Bancshares Incorporated is a \$189 billion asset regional bank holding company headquartered in Columbus, Ohio. Founded in 1866, The Huntington National Bank and its affiliates provide consumers, small and middle-market businesses, corporations, municipalities, and other organizations with a comprehensive suite of banking, payments, wealth management, and risk management products and services. Huntington operates approximately 1,000 branches in 11 states, with certain businesses operating in extended geographies. Visit Huntington.com for more information.

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