

# Welcome

## Huntington Bancshares Incorporated Bernstein Financials Summit

March 07, 2019



# Disclaimer

## **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This communication contains certain forward-looking statements, including, but not limited to, certain plans, expectations, goals, projections, and statements, which are not historical facts and are subject to numerous assumptions, risks, and uncertainties. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. Forward-looking statements may be identified by words such as expect, anticipate, believe, intend, estimate, plan, target, goal, or similar expressions, or future or conditional verbs such as will, may, might, should, would, could, or similar variations. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995.

While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ materially from those contained or implied in the forward-looking statements: changes in general economic, political, or industry conditions; uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Federal Reserve Board; volatility and disruptions in global capital and credit markets; movements in interest rates; competitive pressures on product pricing and services; success, impact, and timing of our business strategies, including market acceptance of any new products or services implementing our “Fair Play” banking philosophy; the nature, extent, timing, and results of governmental actions, examinations, reviews, reforms, regulations, and interpretations, including those related to the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III regulatory capital reforms, as well as those involving the OCC, Federal Reserve, FDIC, and CFPB; and other factors that may affect our future results. Additional factors that could cause results to differ materially from those described above can be found in our 2018 Annual Report on Form 10-K, as well as our subsequent Securities and Exchange Commission (“SEC”) filings, which are on file with the SEC and available in the “Investor Relations” section of our website, <http://www.huntington.com>, under the heading “Publications and Filings.”

All forward-looking statements speak only as of the date they are made and are based on information available at that time. We do not assume any obligation to 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 except as required by federal securities laws. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

# Important Messages

## Building long-term shareholder value

- ◆ Consistent organic growth
- ◆ Maintain aggregate moderate-to-low risk appetite
- ◆ Minimize earnings volatility through the cycle
- ◆ Disciplined capital allocation



## Focus on top quartile financial performance relative to peers

## Strategic focus on Customer Experience

## High level of colleague and shareholder alignment

- ◆ Board, management, and colleague ownership represent the seventh largest shareholder

# Purpose Drives Performance

## Huntington's approach to shareholder value creation

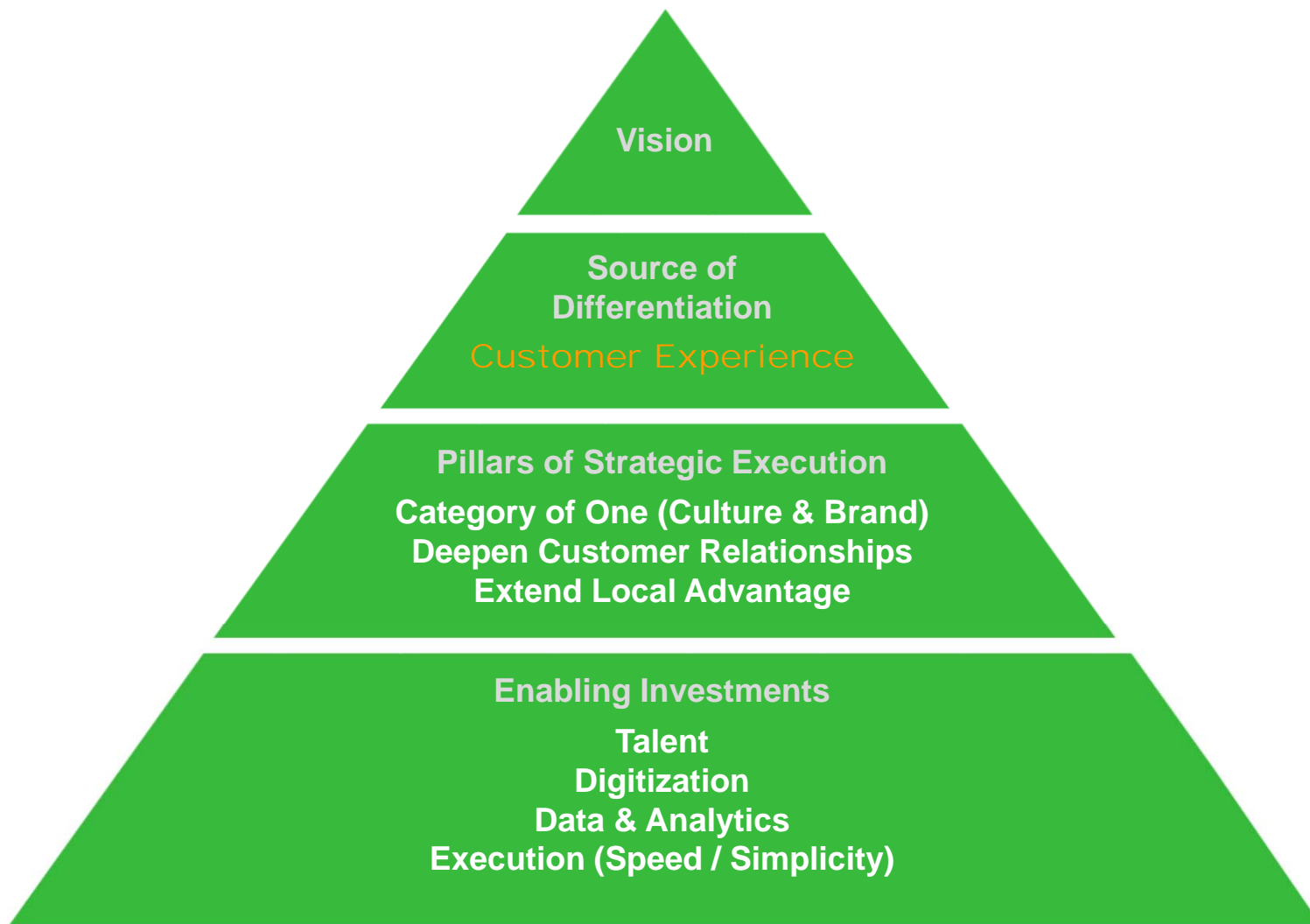
The best way to achieve our long-term financial goals and generate sustainable, through-the-cycle returns is to fulfill **our purpose** to make people's lives better, help businesses thrive, and strengthen the communities we serve.

**Our success is deeply interconnected with the success of the people and communities we serve.**



# Huntington Strategy

Vision of top quartile financial performance enabled through differentiated customer experience



# Pillars of Strategic Execution

Areas of focus to extend our customer experience advantage

## Category of One (Culture & Brand)

*Delivering exceptional experiences that go beyond expectations*

- ◆ Purpose-driven organization enabled by our values
- ◆ Highly-engaged colleagues
- ◆ Customer-centric focus

## Deepen Customer Relationships

*Creating value through Optimal Customer Relationships (OCR)*

- ◆ Capitalize on strong customer acquisition
- ◆ Focus on creating value for the customer
- ◆ Leverage data and analytics to gain deep customer insights

## Extend Local Advantage

*Authentically local – fully engaged in our communities*

- ◆ Optimize teams and resources
- ◆ Align goals and incentives of teams
- ◆ Increase local market impact

**We make people's lives better, help businesses thrive, and strengthen the communities we serve.**

# Investing in our Colleagues

## Colleagues are key to our brand and our success

- ◆ Elevating performance management to performance engagement
- ◆ Enhancing physical, mental, and financial wellness and benefits programs
- ◆ Raising the minimum hourly wage to \$16 (effective May 2019)
- ◆ Expanding colleague learning and development

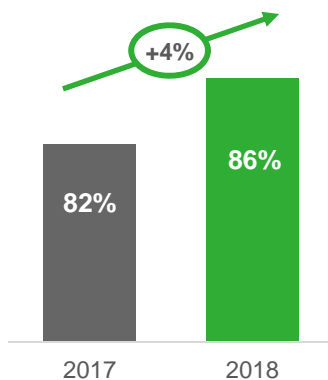
### Investment in Colleagues:



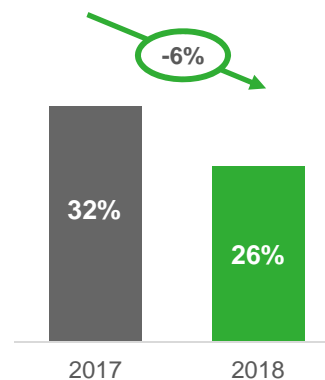
#### Nationally-recognized Employer of Choice



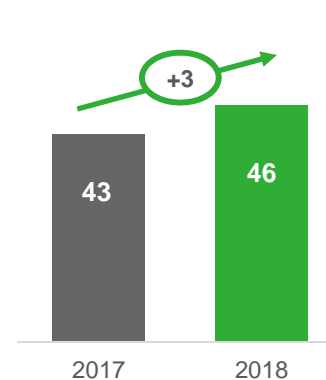
#### Colleague Engagement



#### Branch Colleague Turnover Ratio



#### Net Promoter Score\*



\*See important disclosures on slide 18

# Leveraging Data & Analytics

## Deep customer insights inform customer experience improvements

### ◆ Leveraging customer behaviors and perceptions:

- ✓ Enhance customer experience
- ✓ Segmentation-driven tailored experiences
- ✓ Focused product development
- ✓ Optimize staffing for customer service, expense, and colleague stability

### ◆ Real-time insights / predictions:

- ✓ Real-time sales opportunities
- ✓ Targeted marketing offers to customers and prospects likely to respond

### ◆ Campaign effectiveness:

- ✓ Pricing optimization for volume, risk, and yield
- ✓ Customer Acquisition

### ◆ Geographic information sciences:

- ✓ Optimize Branch and ATM networks

Delivering machine learning, statistics, and operations research **to improve customer insights, personalize experiences, manage risk, and drive incremental revenue**



# End-to-End Digital Transformation

Technology enhancements driving modernized delivery model

## Improving and Simplifying Sales and Service

### Transforming Branch Efficiency

- ✓ Reducing time to open an account by 40%
- ✓ Paperless origination
- ✓ Continued migration of branch deposits to self service

### Personalized Segment Portals

### Next Gen Acquisition and Deepening

- ✓ Improved, real-time sales leads
- ✓ New sales process
- ✓ Digitally-enabled acquisition including mobile capabilities

### Robotic Processing / AI

### Chatbots

Strategically Positioned for the Digital Future

PEOPLE first,

TECHNOLOGY enabled

## Mobile and Digital Initiatives to Enhance Customer Experience



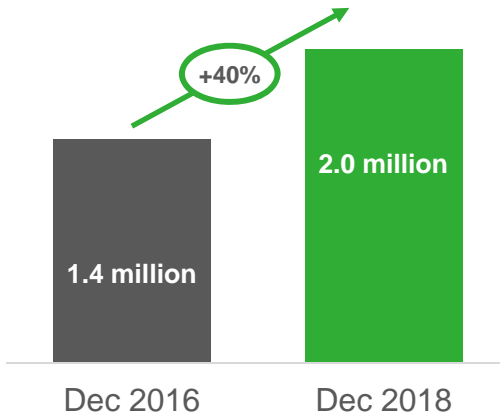
- ✓ Introduced “the Hub” portal (digital and mobile tools, alerts, and insights)
- ✓ Introduced digital card lock for credit and debit cards
- ✓ Partnered with third-party fintech on spend categorization
- ✓ Partnered with third-party firm on updated leads generation capability
- ✓ Launching AI on Huntington Heads Up (push notification service)
- ✓ Robotic Process Automation – Center of Excellence established and currently pursuing multiple opportunities across the organization

# Delivery Evolution

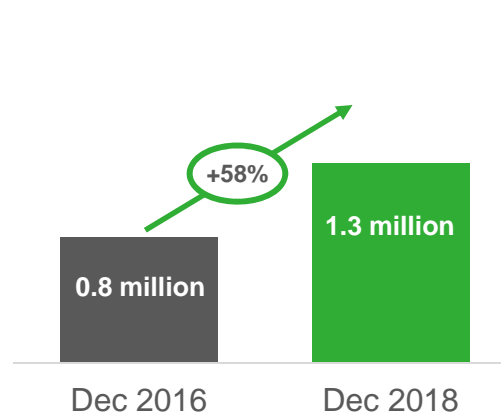
Customer usage continues migration to mobile and digital channels

## Mobile, Digital, and Self-Service Customer Usage

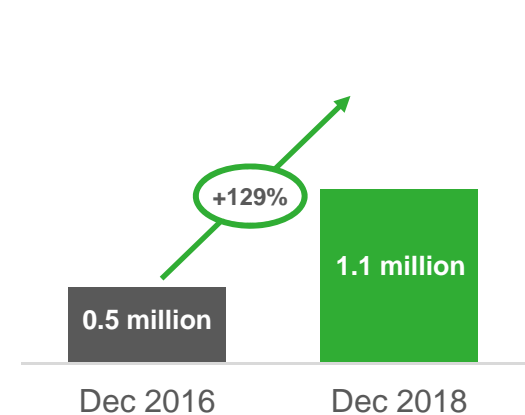
Digitally Active Customers



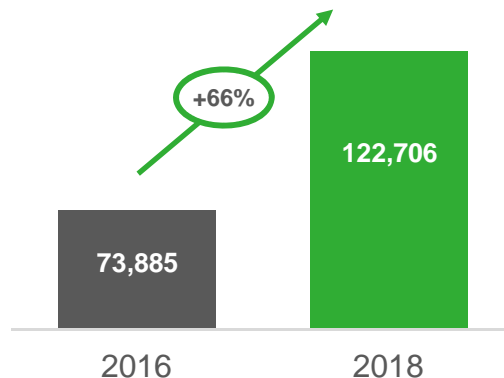
Mobile Adoption



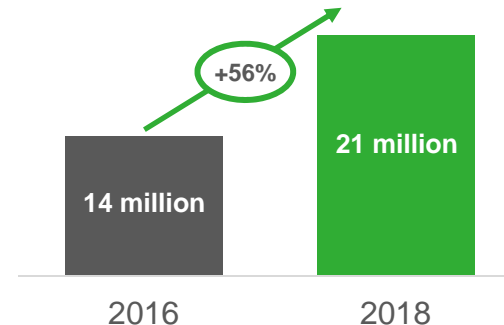
Customers Enrolled in Alerts



Online Checking and Savings Account Origination



Deposits Made Through Self-Service Channels (Mobile & ATM)



# 2019 Full-Year Expectations and Long-Term Financial Goals

2019 Full-Year Expectations		2019 - 2021 Long-Term Financial Goals	
Revenue Growth 2018 = \$4.540 billion	4% - 7%	Revenue Growth	4% - 6%
Noninterest Expense Growth 2018 = \$2.647 billion	2% - 4%	Noninterest Expense Growth	Positive Operating Leverage
Average Loan Growth 2018 = \$72.2 billion	4% - 6%	Efficiency Ratio	53% - 56%
Average Deposit Growth 2018 = \$80.2 billion	4% - 6%	ROTCE	17% - 20%
Net Charge-offs	< 35 bp	Net Charge-offs (Average through-the-cycle target range)	35 bp - 55 bp

# Driving Toward a Best-in-Class Return Profile

Actions taken since 2009 accelerated performance

**Focused the Business Model**

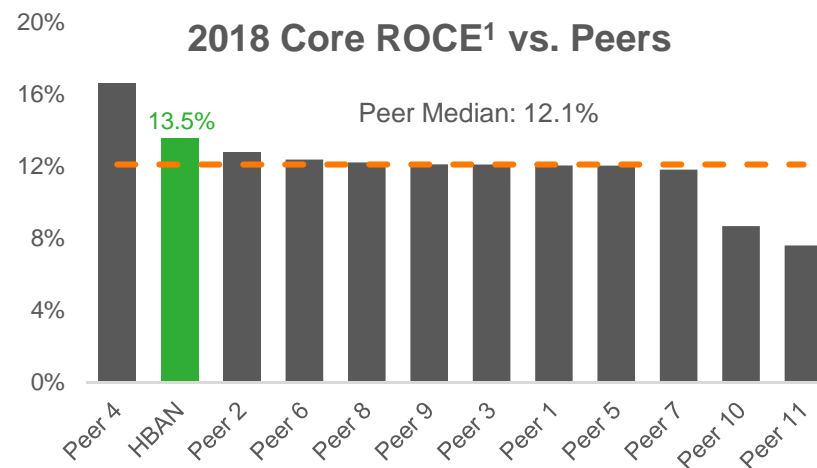
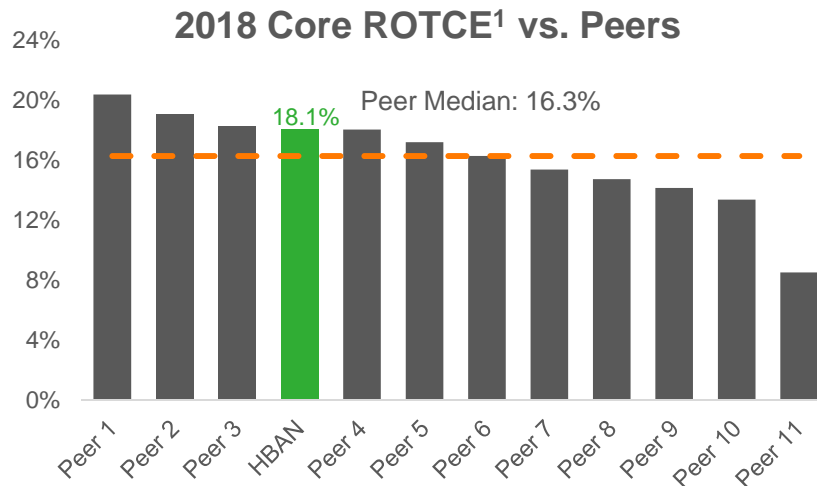
**Built the Brand**

**Invested in the Franchise**

**Disciplined Execution**

**Aggregate Moderate-to-Low Risk Appetite**

**Strong Management / Shareowner Alignment**

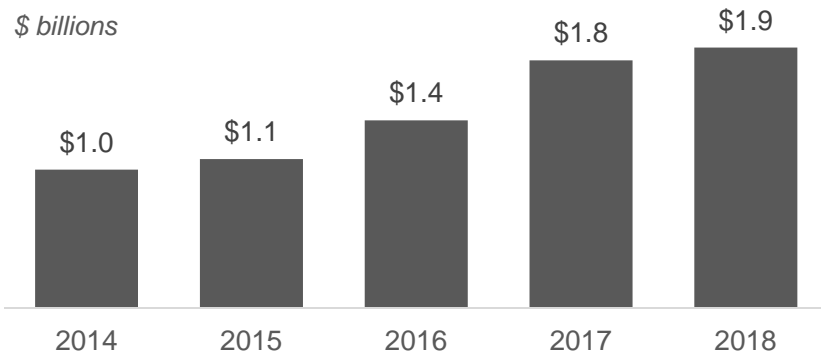


(1) Excludes securities gains/(losses) and nonrecurring items; Non-GAAP - see Appendix slide 19

Source: S&P Global Market Intelligence and company reports

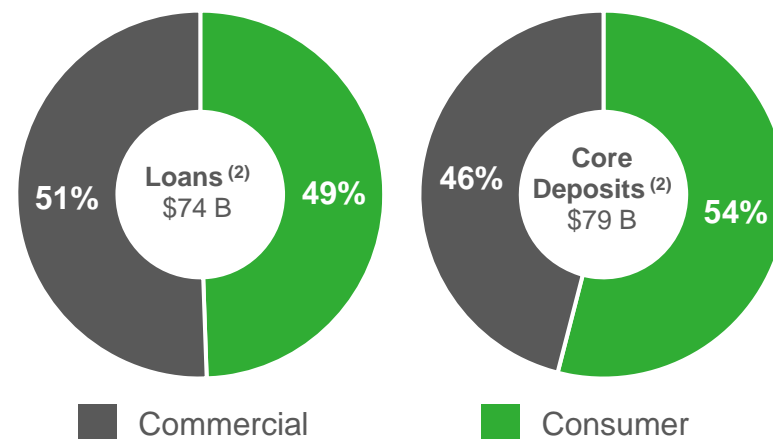
# Positioned for Strong Relative Performance Through-the-Cycle

## Strengthened Pretax Pre-Provision Net Revenue <sup>(1)</sup>



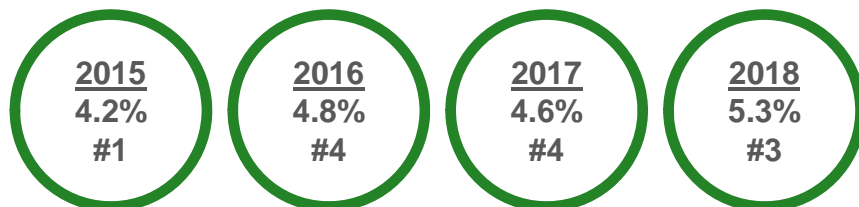
Year	2014	2015	2016	2017	2018
% of RWA	1.86%	1.86%	1.75%	2.26%	2.22%

## Well-Diversified Balance Sheet



## Disciplined Management of Credit Risk

Cumulative Losses as a % of Average Total Loans in Dodd-Frank Act Stress Test (DFAST) Supervisory Severely Adverse Scenario



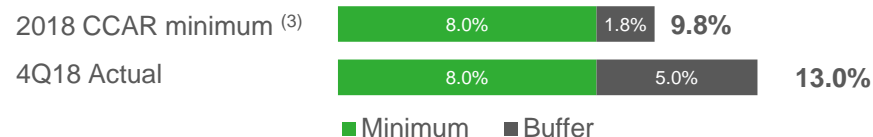
Ranking among traditional commercial banks participating in DFAST (Excludes ALLY, AXP, BAC, BK, BCS, COF, C, CS, DB, DFS, GS, JPM, MS, NTRS, RBC USA Holdco Corporation, STT, UBS, WFC)

## Strong Capital Base and Capital Management

### Common Equity Tier 1 (CET1) Ratio



### Total Risk-Based Capital Ratio



(1) Non-GAAP financial metric; see Appendix slide 20; (2) 4Q18 average balances;

(3) Projected minimum in the Federal Reserve Severely Adverse Scenario

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# Appendix

# Huntington Bancshares Overview

Huntington is a \$109 billion asset regional bank holding company headquartered in Columbus, Ohio. Founded in 1866, The Huntington National Bank and its affiliates provide consumer, small business, commercial, treasury management, capital markets, wealth management, and insurance services.

## Ohio

Branches: 451  
Deposits: \$53.2 billion  
Loans<sup>(1)</sup>: \$41.2 billion

## Michigan

Branches: 300  
Deposits: \$15.5 billion  
Loans<sup>(1)</sup>: \$17.0 billion

## Pennsylvania

Branches: 49  
Deposits: \$4.6 billion  
Loans<sup>(1)</sup>: \$7.1 billion

## Indiana

Branches: 41  
Deposits: \$3.4 billion  
Loans<sup>(1)</sup>: \$5.9 billion

## Illinois

Branches: 37  
Deposits: \$2.1 billion  
Loans<sup>(1)</sup>: \$5.8 billion

## West Virginia

Branches: 25  
Deposits: \$2.3 billion  
Loans<sup>(1)</sup>: \$2.1 billion

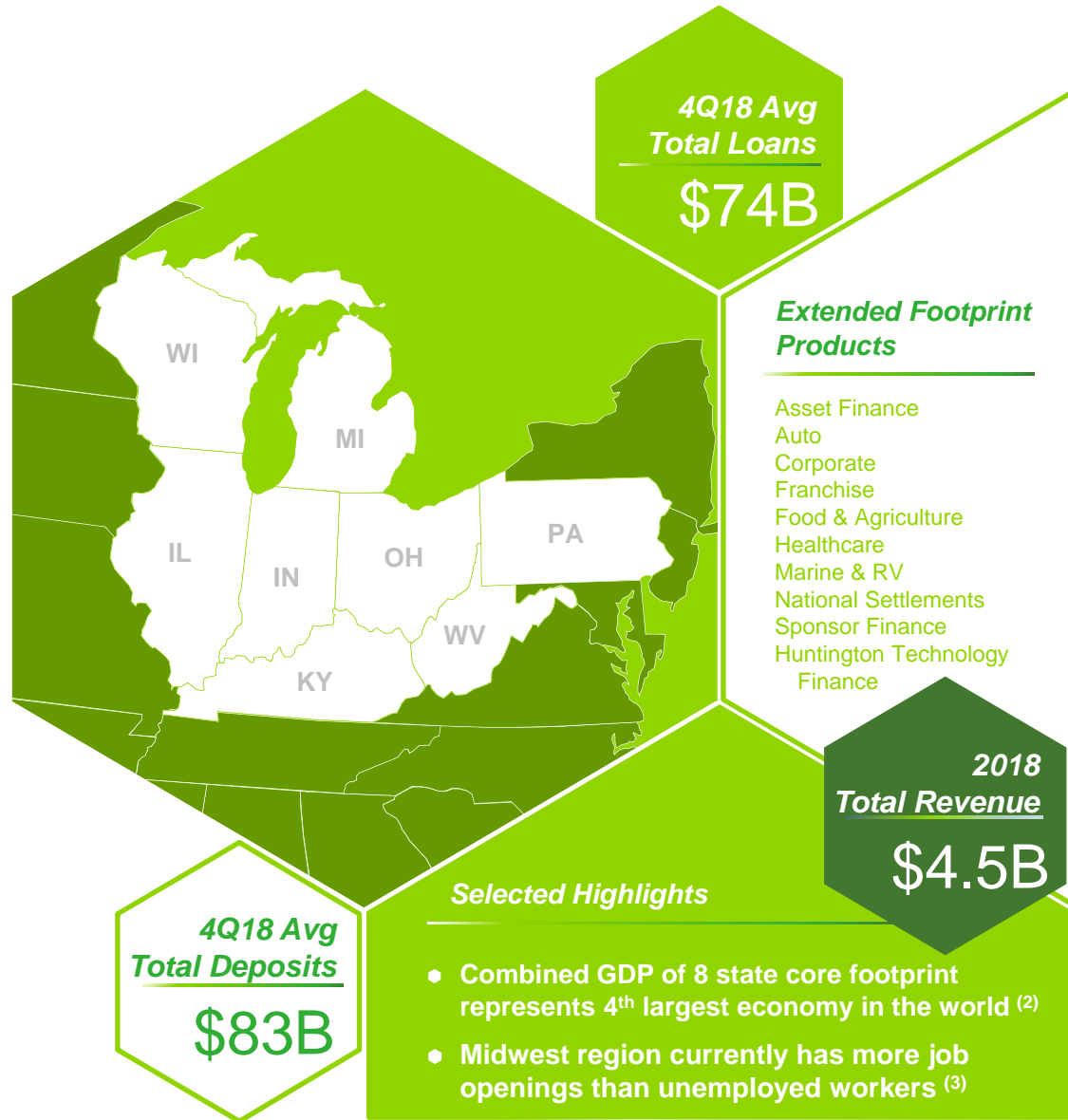
## Wisconsin

Branches: 32  
Deposits: \$1.2 billion  
Loans<sup>(1)</sup>: \$1.3 billion

## Kentucky

Branches: 10  
Deposits: \$0.6 billion  
Loans<sup>(1)</sup>: \$2.7 billion

- Huntington's top 10 deposit MSAs represent ~80% of total deposits
- Ranked #1 in deposit market share in 13% of total footprint MSAs and top 3 in 41%
- Ranked #4 in US for percentage of top 3 deposit share company MSAs



(1) Funded and unfunded loan commitments; (2) 2016 IMF and US Bureau of Economic Analysis;

(3) As of November 2018 BLS JOLTS report and employment data; Note: State deposit / loan balances as of Dec. 31, 2018



# Huntington's Peer Group

\$ in millions	Total Assets	Total Deposits	Total Loans	Market Capitalization	Price /			Dividend Yield
					Consensus 2019E	Consensus 2020E	Tangible Book	
PNC Financial Services Group, Inc.	\$382,315	\$267,839	\$226,245	\$57,981	11.3x	10.5x	1.7x	3.0%
BB&T Corporation	225,697	161,199	149,013	39,481	12.0x	11.0x	2.4x	3.1%
SunTrust Banks, Inc.	215,543	162,589	151,839	29,361	11.4x	10.7x	1.9x	3.0%
Citizens Financial Group, Inc.	160,518	119,575	116,660	16,823	9.4x	8.8x	1.3x	3.5%
Fifth Third Bancorp	146,069	108,835	95,265	17,735	9.8x	9.0x	1.4x	3.2%
KeyCorp	139,613	107,309	89,552	17,361	9.3x	8.6x	1.6x	4.0%
Regions Financial Corporation	125,688	94,491	83,152	16,395	10.2x	9.4x	1.8x	3.5%
M&T Bank Corporation	120,097	90,157	87,915	23,919	11.9x	11.2x	2.5x	2.3%
Comerica Incorporated	70,818	55,561	50,163	13,734	10.5x	9.9x	2.0x	3.1%
Zions Bancorporation	68,746	54,101	46,714	9,455	11.4x	10.6x	1.6x	2.4%
CIT Group Inc.	48,537	31,240	37,766	5,078	10.6x	9.4x	1.0x	2.0%
<b>Median</b>	<b>\$139,613</b>	<b>\$107,309</b>	<b>\$89,552</b>	<b>\$17,361</b>	<b>10.6x</b>	<b>9.9x</b>	<b>1.7x</b>	<b>3.1%</b>
<b>Huntington Bancshares Incorporated</b>	<b>\$108,781</b>	<b>\$84,774</b>	<b>\$74,900</b>	<b>\$14,938</b>	<b>10.6x</b>	<b>9.9x</b>	<b>2.0x</b>	<b>3.9%</b>

# Important Disclosures

*Slide 7:*

*Enterprise Net Promoter Score is a composite of customer segment metrics weighted by 2018 budgeted revenue: (1) Consumer-Retail Banking, JD Power Annual Consumer Retail Study, (2) Consumer-Private Bank, HNB Proprietary Satisfaction/Loyalty Survey, (3) Small Business, HNB Proprietary Satisfaction/Loyalty Survey, (4) Commercial - Middle Market, Greenwich Middle Market Satisfaction Study, \$20MM-\$500MM Revenue. Third-party product, service and business names are trademarks and/or service marks of their respective owners. 2018 scores are not audited.*

# Reconciliation

## ROCE and ROTCE

(\$ in millions)		2018
Net income applicable to common shares	A	\$1,323
Less: Securities gains/(losses) (net of deferred tax)	B	(17)
Adjusted Net income applicable to common shares	$A - B = C$	1,340
Less: Amortization of intangibles (net of deferred tax)	D	42
Adjusted Net income applicable to common shares less amortization of intangibles	$C + D = E$	1,381
Average tangible common equity	F	7,647
Average common equity	G	9,891
Return on average tangible common equity (ROTCE):	$E / F$	18.1%
Return on average common equity (ROCE):	$C / G$	13.5%

# Reconciliation

## Pretax Pre-Provision Net Revenue (PPNR)

(\$ in millions)		2018	2017	2016	2015	2014
Net interest income – FTE		\$3,219	\$3,052	\$2,412	\$1,983	\$1,865
Noninterest income		1,321	1,307	1,151	1,039	961
Total revenue		4,540	4,359	3,563	3,022	2,826
Less: Significant Items		0	2	1	3	1
Less: gain / (loss) on securities		(21)	(4)	0	1	18
Total revenue – adjusted	A	4,561	4,361	3,562	3,018	2,807
Noninterest expense		2,647	2,714	2,408	1,976	1,882
Add: provision for unfunded loans		9	(11)	21	11	(2)
Less: Significant Items		0	154	239	58	65
Noninterest expense – adjusted	B	2,656	2,549	2,191	1,929	1,815
<b>Pretax pre-provision net revenue (PPNR)</b>	<b>A - B</b>	<b>\$1,905</b>	<b>\$1,812</b>	<b>\$1,372</b>	<b>\$1,089</b>	<b>\$1,011</b>
Risk-weighted assets (RWA)		\$85,687	\$80,340	\$78,263	\$58,420	\$54,479
PPNR as % of RWA		2.22%	2.26%	1.75%	1.86%	1.86%

# Basis of Presentation

## Use of Non-GAAP Financial Measures

*This document contains GAAP financial measures and non-GAAP financial measures where management believes it to be helpful in understanding Huntington's results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in this document, conference call slides, or the Form 8-K related to this document, all of which can be found in the Investor Relations section of Huntington's website, <http://www.huntington.com>.*

## Annualized Data

*Certain returns, yields, performance ratios, or quarterly growth rates are presented on an "annualized" basis. This is done for analytical and decision-making purposes to better discern underlying performance trends when compared to full-year or year-over-year amounts. For example, loan and deposit growth rates, as well as net charge-off percentages, are most often expressed in terms of an annual rate like 8%. As such, a 2% growth rate for a quarter would represent an annualized 8% growth rate.*

## Fully-Taxable Equivalent Interest Income and Net Interest Margin

*Income from tax-exempt earning assets is increased by an amount equivalent to the taxes that would have been paid if this income had been taxable at statutory rates. This adjustment puts all earning assets, most notably tax-exempt municipal securities and certain lease assets, on a common basis that facilitates comparison of results to results of competitors.*

## Earnings per Share Equivalent Data

*Significant income or expense items may be expressed on a per common share basis. This is done for analytical and decision-making purposes to better discern underlying trends in total corporate earnings per share performance excluding the impact of such items. Investors may also find this information helpful in their evaluation of the company's financial performance against published earnings per share mean estimate amounts, which typically exclude the impact of Significant Items. Earnings per share equivalents are usually calculated by applying an effective tax rate to a pre-tax amount to derive an after-tax amount, which is divided by the average shares outstanding during the respective reporting period. Occasionally, when the item involves special tax treatment, the after-tax amount is disclosed separately, with this then being the amount used to calculate the earnings per share equivalent.*

## Rounding

*Please note that columns of data in this document may not add due to rounding.*

# Basis of Presentation

## Significant Items

*From time to time, revenue, expenses, or taxes are impacted by items judged by management to be outside of ordinary banking activities and/or by items that, while they may be associated with ordinary banking activities, are so unusually large that their outsized impact is believed by management at that time to be infrequent or short term in nature. We refer to such items as “Significant Items”. Most often, these Significant Items result from factors originating outside the company – e.g., regulatory actions/assessments, windfall gains, changes in accounting principles, one-time tax assessments/refunds, and litigation actions. In other cases they may result from management decisions associated with significant corporate actions out of the ordinary course of business – e.g., merger/restructuring charges, recapitalization actions, and goodwill impairment.*

*Even though certain revenue and expense items are naturally subject to more volatility than others due to changes in market and economic environment conditions, as a general rule volatility alone does not define a Significant Item. For example, changes in the provision for credit losses, gains/losses from investment activities, and asset valuation write-downs reflect ordinary banking activities and are, therefore, typically excluded from consideration as a Significant Item.*

*Management believes the disclosure of “Significant Items”, when appropriate, aids analysts/investors in better understanding corporate performance and trends so that they can ascertain which of such items, if any, they may wish to include/exclude from their analysis of the company’s performance - i.e., within the context of determining how that performance differed from their expectations, as well as how, if at all, to adjust their estimates of future performance accordingly. To this end, Management has adopted a practice of listing “Significant Items” in its external disclosure documents (e.g., earnings press releases, quarterly performance discussions, investor presentations, Forms 10-Q and 10-K).*

*“Significant Items” for any particular period are not intended to be a complete list of items that may materially impact current or future period performance. A number of items could materially impact these periods, including those described in Huntington’s 2018 Annual Report on Form 10-K and other factors described from time to time in Huntington’s other filings with the Securities and Exchange Commission.*

# Welcome

For additional information, please visit: <http://www.huntington.com>



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