



# 2019 Barclays Global Financial Services Conference

September 9, 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 Top 10 shareholder

# Purpose Drives Performance

Huntington's approach to shareholder value creation

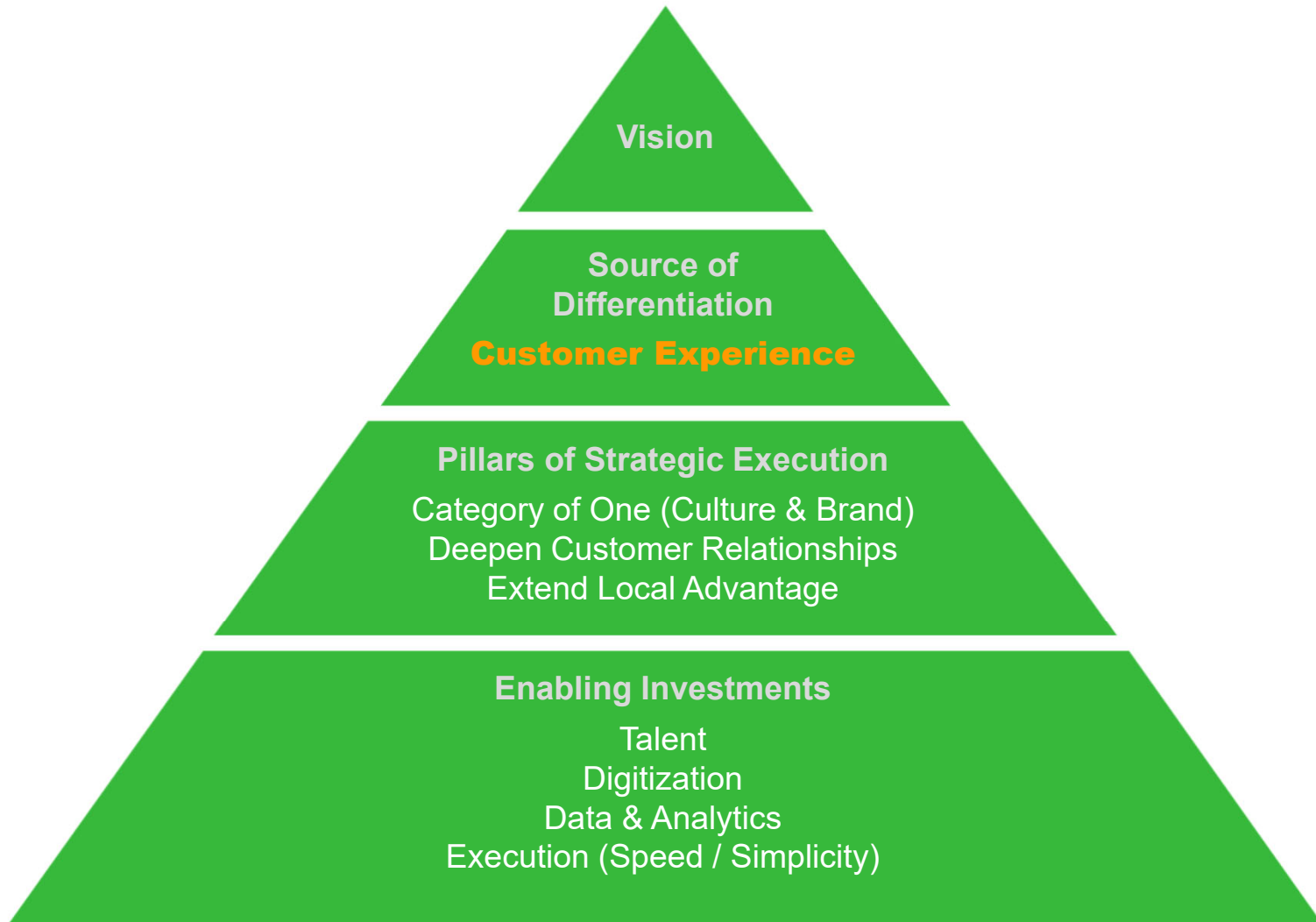
The best way to achieve our long-term financial goals and generate sustainable, through-the-cycle returns is to fulfill **our purpose** to make people's lives better, help businesses thrive, and strengthen the communities we serve.

**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



# Investing in our Colleagues

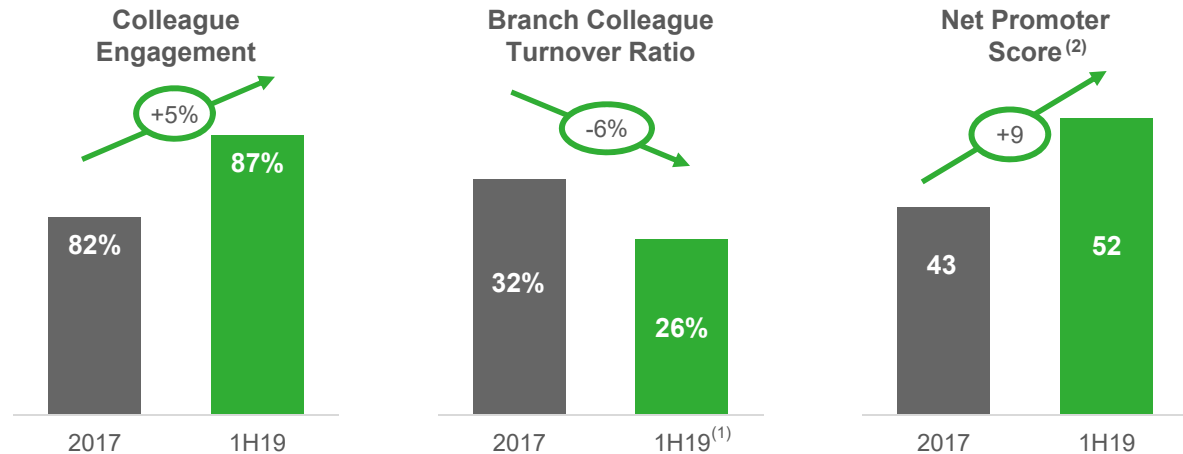
Colleagues are key to our brand and our success

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

Investment in Colleagues:



Nationally-recognized Employer of Choice



See notes on slide 19

# Technology Enables Our Strategy

Record amount of technology development in 2018; further increases planned in 2019

## ◆ Flexible Scale & Security

✓ Next generation data center and cyber – secure, flexible, and scalable cloud-based infrastructure

## ◆ Efficient Deployment

✓ Automation and DevOps – efficient delivery of new capabilities

## ◆ Digitization

✓ Imaging, workflow, robotics and process automation (RPA) – driving efficiency

## ◆ Agile Solution Development

✓ Innovation and delivery transformation – development, learning, and testing

## ◆ Architecture

✓ Core bank modernization – maintain technology currency and accelerate new product delivery

✓ Service-oriented architecture providing API-based access through enterprise middleware

## ◆ Consistent Channel Experience

✓ Consistent customer and colleague access to data and services

Technology investments enable **Customer Experience** strategy by **driving process improvement, speed, and simplicity**

# 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 30% - 50%
- ✓ 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

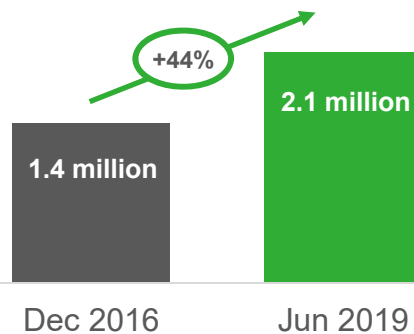
### Robotic Processing / AI

### Chatbots

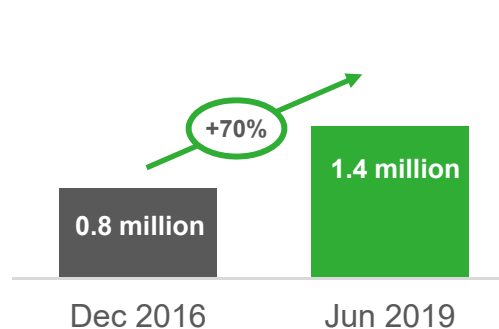
**Strategically positioning for a Digital Future**

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

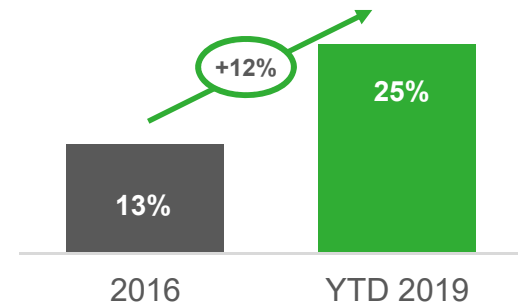
Digitally Active Customers



Mobile Adoption



New Consumer Checking Households Opened Online





# Digital Evolution Driving Customer Satisfaction

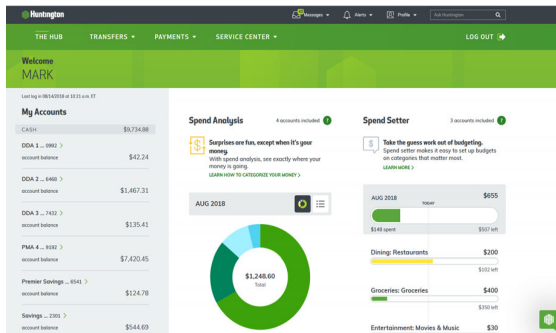
Digital/mobile banking recognition follows 2018 introduction of “The Hub”



Highest in Customer Satisfaction with Online Banking and Mobile Banking Apps

For J.D. Power 2019 award information, visit [jdpower.com/awards](http://jdpower.com/awards)

## Mobile and Digital Initiatives to Enhance Customer Experience

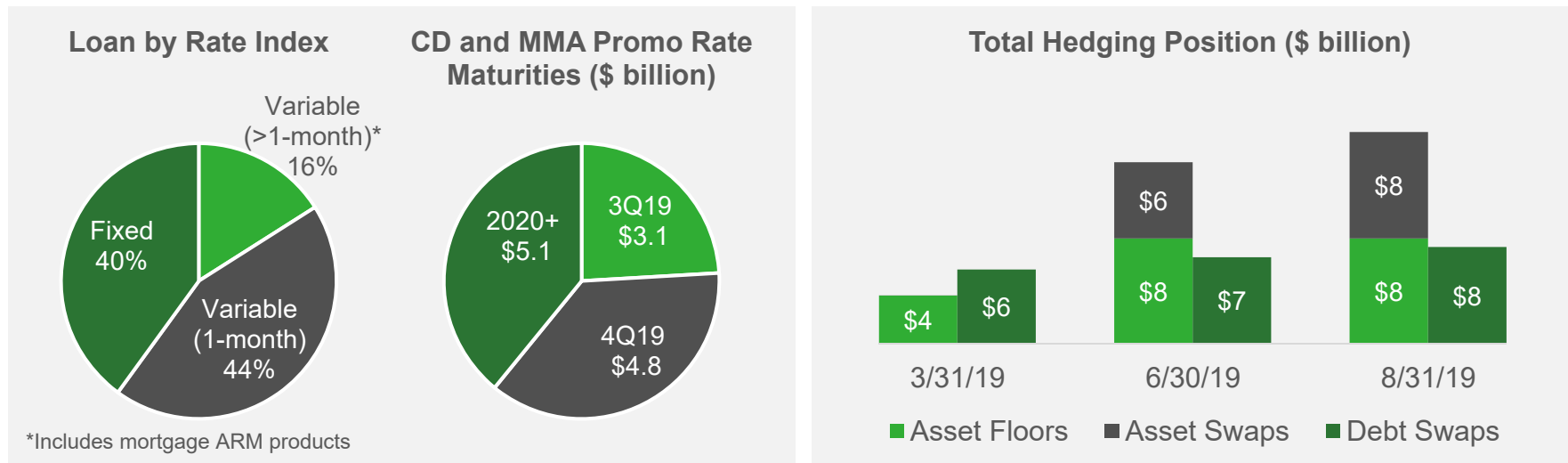


- ✓ Introduced “the Hub” portal (digital and mobile tools, alerts, and insights)
- ✓ Introduced digital card lock for credit and debit cards
- ✓ Partnered with third-party fintech on spend categorization
- ✓ Partnered with third-party firm on updated leads generation capability
- ✓ Launching AI on Huntington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

# Positioning the Balance Sheet to Remain Nimble with Lower Interest Rate Outlook

## Actions taken to reduce risk from lower interest rates

- Actions included purchase of interest rate floors, asset swaps, and \$1 billion of additional securities
- As of 8/31/19, the floors have a weighted average strike price of 1.84% (1 mo. LIBOR); the strike prices on 43% of the floor balances are at or above 2.00% (1 mo. LIBOR)
- Targeted 1 to 3 year duration on floors and 3 to 4 year duration on asset swaps<sup>(1)</sup>
- The incremental hedges<sup>(2)</sup> are expected to have a 1 bp negative impact to full year 2019 NIM



See notes on slide 19

# 2019 Full-Year Expectations

Managing to positive operating leverage in challenging environment

	As of 7/25/19	2019 trend as of 8/31/19
Revenue Growth 2018 = \$4.540 billion	3% - 4.5%	Middle
Net Interest Margin 2018 = 3.33%	3.25% - 3.30%	Middle
Noninterest Expense Growth 2018 = \$2.647 billion	1% - 2.5%	Middle
Average Loan Growth 2018 = \$72.2 billion	4% - 5%	Lower-end
Average Deposit Growth 2018 = \$80.2 billion	2% - 3%	Middle
Net Charge-offs	< 35 bp	On track

# Driving Toward a Best-in-Class Return Profile

Actions taken since 2009 accelerated performance

Focused the Business Model

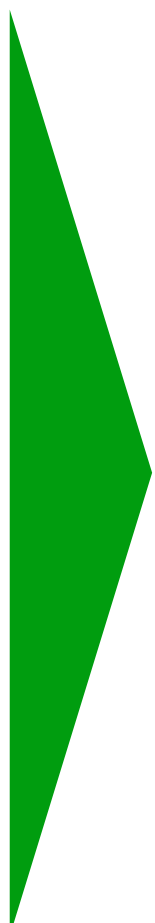
Built the Brand

Invested in the Franchise

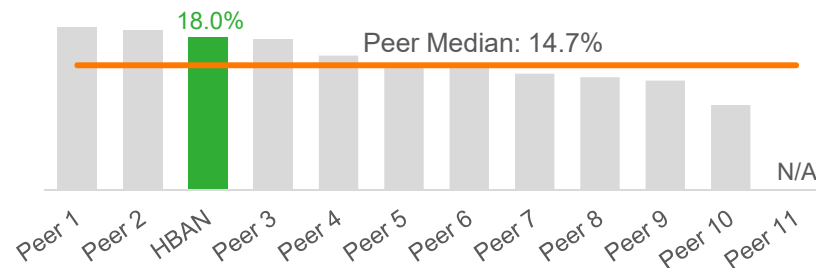
Disciplined Execution

Aggregate Moderate-to-Low Risk Appetite

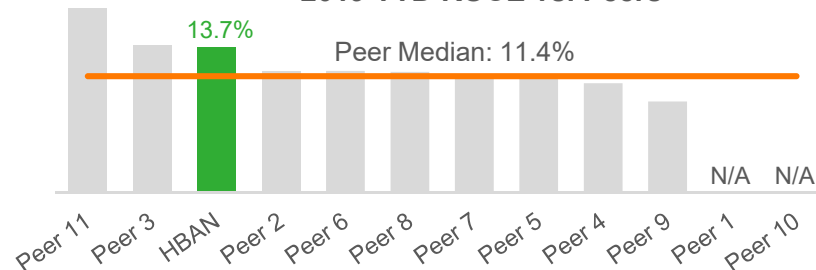
Strong Management / Shareowner Alignment



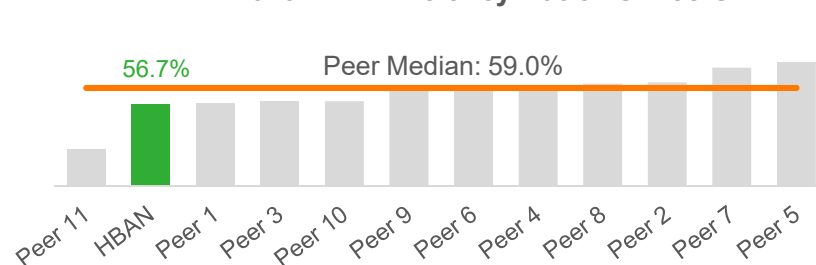
2019 YTD ROTCE vs. Peers



2019 YTD ROCE vs. Peers



2019 YTD Efficiency Ratio vs. Peers



Source: S&P Global Market Intelligence and company reports

# Important Messages

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## Strategic focus on Customer Experience

## High level of colleague and shareholder alignment

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# Appendix



# Huntington Bancshares Overview

## \$108 Billion Asset Regional Bank Holding Company

### Consolidated

Branches: 856  
 Deposits: \$80.9 billion  
 Loans<sup>(1)</sup>: \$110.7 billion

### Michigan

Branches: 277  
 Deposits: \$16.9 billion  
 Loans<sup>(1)</sup>: \$17.0 billion

### Indiana

Branches: 40  
 Deposits: \$3.8 billion  
 Loans<sup>(1)</sup>: \$5.9 billion

### West Virginia

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

### Ohio

Branches: 424  
 Deposits: \$50.9 billion  
 Loans<sup>(1)</sup>: \$40.8 billion

### Pennsylvania

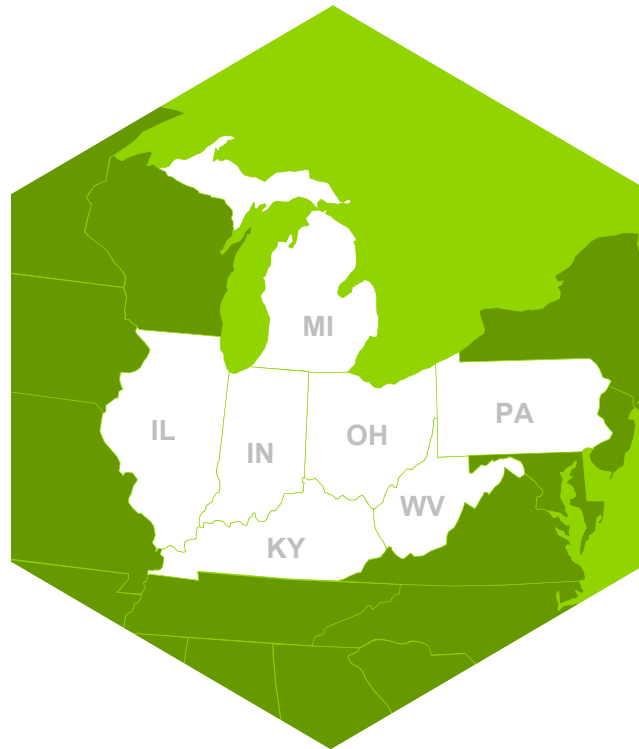
Branches: 45  
 Deposits: \$4.1 billion  
 Loans<sup>(1)</sup>: \$7.0 billion

### Illinois

Branches: 35  
 Deposits: \$2.4 billion  
 Loans<sup>(1)</sup>: \$6.0 billion

### Kentucky

Branches: 10  
 Deposits: \$0.7 billion  
 Loans<sup>(1)</sup>: \$2.7 billion



### Retail Footprint Products

Consumer  
 Business Banking  
 Commercial  
 Wealth Management  
 Trust  
 Insurance

### Extended Footprint Products

Asset Finance  
 Auto  
 Specialty Banking verticals  
 Corporate  
 RV and Marine  
 National Settlements  
 Huntington Technology Finance

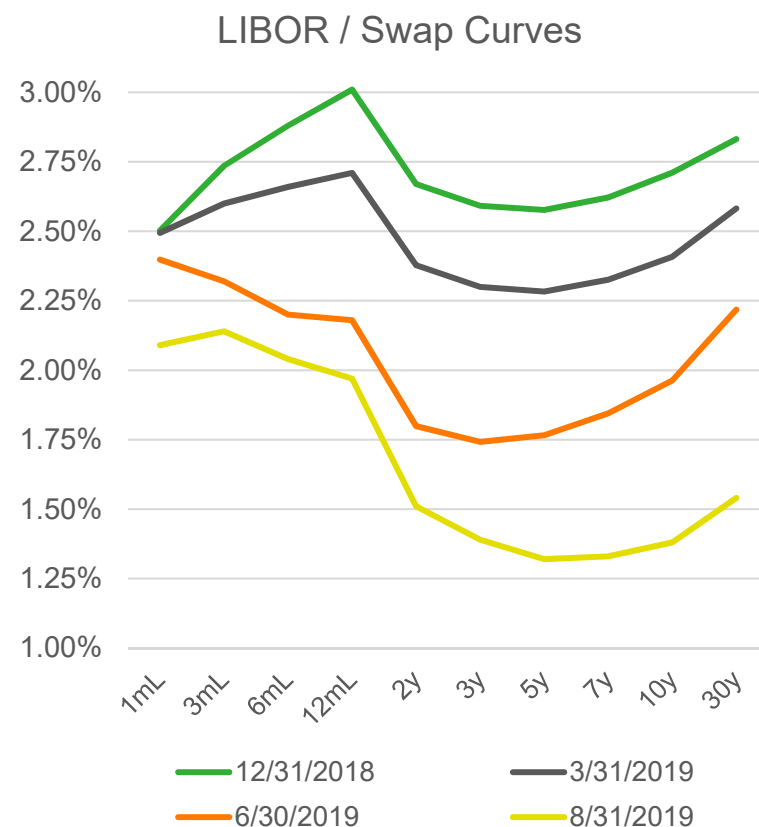
- Huntington's top 10 deposit MSAs represent ~80% of total deposits
- Ranked #1 in deposit market share in 13% of total footprint MSAs and top 3 in 41%
- Ranked #4 in US for percentage of top 3 deposit share company MSAs
- Combined GDP of 7 state core footprint represents 5th largest economy in the world <sup>(2)</sup>
- Midwest region currently has more job openings than unemployed workers <sup>(3)</sup>

See notes on slide 19

# Historical Yield Curves

Yield curve moved lower and inverted

Rate	As of 12/31/2018	As of 3/31/2019	As of 6/30/2019	As of 8/31/2019
1 month LIBOR	2.50%	2.49%	2.40%	2.09%
3 month LIBOR	2.74	2.60	2.32	2.14
6 month LIBOR	2.88	2.66	2.20	2.04
12 month LIBOR	3.01	2.71	2.18	1.97
2 yr swap	2.67	2.38	1.80	1.51
3 yr swap	2.59	2.30	1.74	1.39
5 yr swap	2.58	2.28	1.77	1.32
7 yr swap	2.62	2.33	1.85	1.33
10 yr swap	2.71	2.41	1.96	1.38
30 yr swap	2.83	2.58	2.22	1.54





# 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.*

# Basis of Presentation

## Rounding

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

## 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 which may be described from time to time in Huntington’s filings with the Securities and Exchange Commission.*

# Notes

## Slide 6:

- (1) Annualized
- (2) Enterprise Net Promoter Score is a composite of customer segment metrics weighted by 2018 budgeted revenue:
  - (a) Consumer-Retail Banking, JD Power Annual Consumer Retail Study, (b) Consumer-Private Bank, HNB Proprietary Satisfaction/Loyalty Survey, (c) Small Business, HNB Proprietary Satisfaction/Loyalty Survey, (d) 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.

## Slide 10:

- (1) Approximately \$3 billion of asset swaps are forward starting (75% will be in effect by June 2020)
- (2) Includes \$16 billion of asset swaps/floors and \$2 billion of liability swaps

## Slide 15:

- (1) Funded and unfunded loan commitments
- (2) 2018 IMF and US Bureau of Economic Analysis
- (3) As of June 2019 BLS JOLTS report and employment data



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