HUNTINGTON BANCSHARES INC/MD
Form DEF 14A
March 17, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x   Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Huntington Bancshares Incorporated

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NOTICE OF ANNUAL MEETING
PROXY STATEMENT

Huntington Bancshares Incorporated

Huntington Center

41 South High Street

Columbus, Ohio 43287

Richard A. Cheap

General Counsel and Secretary

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Our Shareholders:

The Thirty-Ninth Annual Meeting of Shareholders of Huntington Bancshares Incorporated will be held in the Riffe Center Capitol Theatre, 77 South High Street, Columbus, Ohio, on Wednesday, April 27, 2005, at 2:00 p.m., local Columbus, Ohio time, for the following purposes:

(1) To elect four directors to serve as Class III Directors until the 2008 Annual Meeting of Shareholders, and until their successors are elected.

(2) To ratify the appointment of Deloitte & Touche LLP as independent auditors for Huntington Bancshares Incorporated for the year 2005.

(3) To transact any other business which may properly come before the meeting.

You will be welcome at the meeting, and we hope you can attend. Directors and officers of Huntington Bancshares Incorporated and representatives of its independent auditors will be present to answer your questions and to discuss its business.

Your vote is important. We urge you to vote as soon as possible so that your shares may be voted in accordance with your wishes. You may vote by executing and returning your proxy card, or by voting electronically over the Internet or by telephone. Please refer to the proxy card enclosed for information on voting electronically. If you attend the meeting, you may vote in person and the proxy will not be used.

Sincerely yours,

Richard A. Cheap

March 9, 2005

SHAREHOLDERS ARE REQUESTED TO VOTE THEIR PROXIES EITHER

ELECTRONICALLY BY TELEPHONE OR VIA THE INTERNET OR BY

SENDING THEIR PROXY CARDS IN THE ACCOMPANYING ENVELOPE

WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES

Information for Shareholders Who Plan to Attend the 2005 Annual Meeting of Shareholders

The Riffe Center Capitol Theatre, 77 South High Street, is located just south of Huntington s corporate offices (Huntington Center, 41 South High Street) and Capitol Square Banking Office (17 South High Street) in Downtown Columbus. Huntington will provide complimentary parking passes for shareholders parking in the four facilities below. Please allow time for parking and travel to the meeting location.

Parking Garage	Access Street
Huntington Center Garage	Capitol Street
Huntington Plaza Garage	Front Street
Riffe Center Parking Garage	Front Street
State House Garage	3rd and State Streets
	Broad and 3rd Streets
	Westbound on State Street.

PROXY STATEMENT

This Proxy Statement is provided on behalf of the Board of Directors of Huntington Bancshares Incorporated to solicit proxies to be voted at the Annual Meeting of Shareholders to be held on April 27, 2005, and at any adjournment. We are mailing this Proxy Statement, together with a proxy card, starting on or about March 17, 2005, to Huntington s shareholders entitled to vote at the Annual Meeting.

Voting Procedures

Common stock shareholders of record at the close of business on February 18, 2005, are entitled to vote at the Annual Meeting. Huntington had 232,465,348 shares of common stock outstanding and entitled to vote on the record date.

Shareholders will have one vote on each matter submitted at the Annual Meeting for each share of common stock owned on the record date. The shares represented by a properly submitted proxy will be voted as directed provided the proxy is received by Huntington prior to the meeting. A properly executed proxy without specific voting instructions will be voted **FOR** the nominees for director named in this Proxy Statement, and **FOR** the ratification of the appointment of Deloitte & Touche LLP as independent auditors for 2005. A properly submitted proxy will also confer discretionary authority to vote on any other matter which may properly come before the meeting.

A shareholder may vote by proxy by using the telephone, via the Internet, or by properly signing and submitting the enclosed proxy card. A shareholder has the power to revoke his or her proxy at any time before it is exercised by filing a written notice with Huntington s Secretary prior to the meeting. Shareholders who attend the meeting may vote in person and their proxies will not be used.

Huntington will pay the expenses of soliciting proxies, including the reasonable charges and expenses of brokerage firms and others for forwarding solicitation material to beneficial owners of stock. Huntington representatives may solicit proxies by mail, telephone, electronic or facsimile transmission, or personal interview. Huntington has contracted with Morrow & Co., Inc. to assist in the solicitation of proxies for a fee of $6,500 plus out-of-pocket expenses.

Vote Required

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Huntington will constitute a quorum at the meeting. Under the law of Maryland, Huntington s state of incorporation, abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum, but are not counted as votes cast at the meeting. Broker non-votes occur when brokers who hold their customers shares in street name submit proxies for such shares on some matters, but not others. Generally, this would occur when brokers have not received any instructions from their customers. In these cases, the brokers, as the holders of record, are permitted to vote on routine matters, which typically include the election of directors and ratification of independent auditors, but not on non-routine matters.

The election of each nominee for director requires the favorable vote of a plurality of all votes cast by the holders of common stock at a meeting at which a quorum is present. Only shares that are voted in favor of a particular nominee will be counted toward such nominee s achievement of a plurality and thus broker non-votes and abstentions will have no effect. Ratification of the appointment of Deloitte & Touche LLP will require the affirmative vote of a majority of all votes cast by the holders of common stock at a meeting at which a quorum is present. Broker non-votes and abstentions will have no effect on this matter since they are not counted as votes cast at the meeting.

Election of Directors

The size of the Board of Directors has been set at eleven directors. Under Huntington s Charter, the Board is divided into three classes, with terms of office that expire at successive annual meetings. The terms of the Class III Directors expire at this Annual Meeting. With the input of the Nominating and Corporate Governance Committee, which makes recommendations to the Board of Directors in regard to its size and composition, the Board of Directors proposes the re-election of the four Class III directors at this Meeting.

Don M. Casto III, Michael J. Endres, Wm. J. Lhota and David L. Porteous currently serve as Class III Directors of Huntington and are being nominated for re-election at this Annual Meeting. Messrs. Casto and Lhota were elected at the

2002 Annual Meeting of Shareholders, Mr. Endres was elected at the 2003 Annual Meeting of Shareholders, and Mr. Porteous was elected at the 2004 Annual Meeting of Shareholders. The nominees for Class III Directors, if elected, will each serve a three-year term expiring at the 2008 Annual Meeting of Shareholders and until their successors are elected.

It is intended that, unless otherwise directed, the shares represented by a properly submitted proxy will be voted **FOR** the election of Messrs. Casto, Endres, Lhota, and Porteous as Class III Directors. Huntington has no reason to believe that any nominee will be unable or unwilling to serve as a director if elected. However, in the event that any of these nominees should become unavailable, the number of directors may be decreased pursuant to the Bylaws or the Board of Directors may designate a substitute nominee, for whom shares represented by a properly submitted proxy would be voted.

The Board of Directors recommends a vote *FOR* the election of each of the nominees for director.

The following tables set forth certain information concerning each nominee and each continuing director of Huntington.

CLASS I DIRECTORS

(TERMS EXPIRE IN 2006)

Name and Principal Occupation(1)	Age	Director Since	Other Directorships(2)
Raymond J. Biggs Private Investor; Retired Chairman and Chief Executive Officer, Huntington Bancshares Michigan, Inc. (1990 1994)	67	2002	
John B. Gerlach, Jr. Chairman, President, and Chief Executive Officer, Lancaster Colony Corporation, manufacturer and marketer of specialty food, glassware, candles, and automotive accessories	50	1999	Lancaster Colony Corporation
Thomas E. Hoaglin Chairman, President, and Chief Executive Officer, Huntington and The Huntington National Bank	55	2001	The Gorman-Rupp Company
Robert H. Schottenstein Chairman, Chief Executive Officer, and President, M/I Homes, Inc., homebuilding and development	52	1997	M/I Homes, Inc.

CLASS II DIRECTORS

(TERMS EXPIRE IN 2007)

Name and Principal Occupation(1)	Age	Director Since	Other Directorships(2)

Karen A. Holbrook	62	2004	
President,			
The Ohio State University			
David P. Lauer	62	2003	AirNet Systems, Inc.
Certified Public Accountant;			Diamond Hill Investment
Retired Managing Partner, Deloitte & Touche LLP,			Group, Inc.
Columbus, Ohio office			R. G. Barry Corporation
(1989 1997)			Wendy s International, Inc.
Kathleen H. Ransier	57	2003	
Partner,			
Vorys, Sater, Seymour and Pease LLP, law firm			

CLASS III DIRECTORS

(NOMINEES FOR TERMS EXPIRING IN 2008)

Name and Principal Occupation(1)	Age	Director Since	Other Directorships(2)
Don M. Casto III	60	1985	
Principal / Chief Executive Officer,			
CASTO,			
real estate developers			
Michael J. Endres	57	2003	ProCentury Corporation
Principal, Stonehenge Financial Holdings, Inc.,			Worthington Industries, Inc.
private equity investment firm			
Wm. J. Lhota	65	1990	State Auto Financial
President and Chief Executive Officer,			Corporation
The Central Ohio Transit Authority,			
public transportation service to Central Ohio			
David L. Porteous	52	2003	
Attorney,			
Porteous Law Office PC			

(1) Each nominee and continuing director has held, or been retired from, the various positions indicated or other executive positions with the same organizations (or predecessor organizations) for at least the past five years, except:

Mr. Hoaglin, who joined Huntington in February 2001 and whose business experience is described under Executive Officers of Huntington below. Mr. Hoaglin is also a director of The Huntington National Bank.

Ms. Holbrook, who served as Senior Vice President for Academic Affairs and Provost at The University of Georgia from 1998 until she became President of The Ohio State University in October 2002.

Mr. Lauer, who served as President and Chief Operating Officer Columbus Commercial Operations, for Bank One, NA, Columbus, Ohio, from 1997 to 2001. Mr. Lauer also served as a director of Huntington Preferred Capital, Inc. from September 2002 to February 2003.

Mr. Lhota, who provided arbitration, mediation, and consulting services, along with teaching and lecturing on business ethics and engineering ethics, through his consulting firm LHOTA SERVICES, from January 2002 to September 2004. Mr. Lhota was President of Energy Delivery for American Electric Power from June 2000 to December 2001, and Executive Vice President of American Electric Power Service Corp., management, technical, and professional subsidiary of American Electric Power, from November 1989 to December 2001.

Ms. Ransier, who was managing partner of Ransier & Ransier, LLP, Attorneys at Law, from 1976 to 2001, and Of Counsel to Vorys, Sater, Seymour and Pease LLP from 2001 to 2004.

(2) Other directorships held in companies with a class of securities registered pursuant to Sections 12 or 15(d) of the Securities Exchange Act of 1934.

Corporate Governance

The Board of Directors has standing Audit, Compensation, Executive, Nominating and Corporate Governance, Pension Review, and Risk committees. In January 2005, the Board divided the former Audit/Risk Committee into two separate committees, the Audit Committee and the Risk Committee, and moved responsibility for oversight of enterprise-wide risk management, regulatory examinations, and compliance with laws and regulations to the new Risk Committee. Each standing committee has a separate written charter. In addition, the Board of Directors has adopted a corporate governance program which includes Corporate Governance Guidelines and a Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics applies to all employees and, where applicable, to directors of Huntington and its affiliates. Huntington s chief executive officer, chief financial officer, corporate controller, and principal accounting officer are also bound by a Financial Code of Ethics for Chief Executive Officer and Senior Financial Officers. The Code of Business Conduct and Ethics and the Financial Code of Ethics for Chief Executive Officer and Senior Financial Officers are posted on the Investor Relations pages of Huntington s website at huntington.com.

The Board of Directors and the Nominating and Corporate Governance Committee have reviewed and evaluated transactions and relationships with Board members to determine the independence of each of the members. The Board of

Directors does not believe that any of its non-employee members have relationships with Huntington that would interfere with the exercise of independent judgment in carrying out his or her responsibilities as director. The Board and the Nominating and Corporate Governance Committee have determined that a majority of the Board s members are independent directors as the term is defined in the applicable listing standards of The Nasdaq Stock Market, Inc. The following directors have been determined to be independent under the Nasdaq definition: Raymond J. Biggs, Don M. Casto III, John B. Gerlach, Jr., Karen A. Holbrook, David. P. Lauer, Wm. J. Lhota, David L. Porteous, and Kathleen H. Ransier.

The Corporate Governance Guidelines provide that attendance at Board and committee meetings is of utmost importance. Directors are expected to attend the annual shareholders meetings and at least 75% of all regularly scheduled meetings of the Board and committees on which they serve. During 2004, the Board of Directors held a total of 12 regular and special meetings. Each director attended greater than 75% of the meetings of the full Board and the committees on which he or she served except for Ms. Holbrook and Mr. Schottenstein who each attended a majority of meetings but less than 75% due to unavoidable scheduling conflicts. All of the directors attended the 2004 Annual Meeting of Shareholders.

Shareholders who wish to send communications to the Board of Directors may do so by following the procedure set forth on the Investor Relations pages of Huntington s website at huntington.com.

Board Committees

The table below indicates the membership of the Board s standing committees, and the number of times the committees met, in 2004. As noted, the Board divided the Audit/Risk Committee in January 2005 into the Audit Committee and the Risk Committee. The current members of the Audit Committee are David P. Lauer, Chairman, David L. Porteous, and Kathleen H. Ransier. The current members of the Risk Committee are Wm. J. Lhota, Chairman, Michael J. Endres, and Robert H. Schottenstein.

2004 Committee Members and Number of Meetings	**Audit/Risk Committee**	**Compensation Committee**	**Executive Committee**	**Nominating & Corporate Governance Committee**	**Pension Review Committee**
Raymond J. Biggs			Member		Chair
Don M. Casto III		Member	Chair	Chair	Member
Michael J. Endres			Member		
John B. Gerlach, Jr.		Chair		Member	Member
Thomas E. Hoaglin			Member		
Karen A. Holbrook		Member		Member	Member
David P. Lauer	Chair				
Wm. J. Lhota	Member				
David L. Porteous	Member				
Kathleen H. Ransier	Member				
Robert H. Schottenstein			Member		
Number of Meetings	13	8	0	4	2

Audit Committee. The Audit Committee provides assistance to the Board of Directors in overseeing: the integrity of Huntington s financial statements, including policies, procedures and practices regarding the preparation of financial statements, the financial reporting process, disclosures, and the internal control over financial reporting; the internal audit division and the independent registered public accounting firm s qualifications and independence; compliance with Huntington s Financial Code of Ethics for Chief Executive Officer and Senior Financial Officers; and compliance with corporate securities trading policies. Additional information about the Audit Committee is set forth in the Report of the Audit Committee below.

Compensation Committee. The Compensation Committee reviews and approves periodically Huntington s goals and objectives relative to the compensation of the chief executive officer and other executive management, including the balance between short-term and long-term incentives. The Compensation Committee evaluates the performance of the chief executive officer and other executive management in light of such goals and objectives, and sets their compensation levels based on such evaluation. The Committee also advises the Board of Directors with respect to compensation for service by non-employee directors for service on the Board and Board committees. This Committee also makes recommendations to the Board with respect to Huntington s incentive compensation plans and equity-based plans, oversees the activities of the individuals and committees responsible for administering these plans, and discharges any responsibility imposed on the Committee by any of these plans. All members of the Compensation Committee have been determined to be independent as the term is defined under the applicable listing standards of Nasdaq.

Executive Committee. The Executive Committee considers matters brought before it by the chief executive officer. This Committee also considers matters and takes action that may require the attention of the Board of Directors or the exercise of the Board s powers or authority in the intervals between meetings of the Board.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee s primary responsibilities are to review annually the composition of the Board of Directors to assure that the appropriate knowledge, skills and experience are represented, in the Committee s judgment, and to assure that the composition of the Board complies with applicable laws and regulations; review the qualifications of persons recommended for Board membership, including persons recommended by shareholders; discuss with the Board standards to be applied in making determinations as to the independence of directors; and review annually the effectiveness of the Board, including but not limited to, considering the size of the Board and the performance of individual directors as well as collective Board performance. This Committee reviews and approves all related party transactions. Other primary responsibilities of the Nominating and Corporate Governance Committee include reviewing and making appropriate changes to the Corporate Governance Guidelines and the Code of Business Conduct and Ethics for Huntington s directors, officers, and employees.

Each person recommended by the Nominating and Corporate Governance Committee for nomination to the Board of Directors must be an active leader in his or her business or profession and in his or her community. Diversity is considered by the Nominating and Corporate Governance Committee when evaluating nominees because the Board of Directors believes that board membership should reflect the diversity of Huntington s markets. The Nominating and Corporate Governance Committee evaluates potential nominees, including persons recommended by shareholders, in accordance with these standards which are part of the Corporate Governance Guidelines. From time to time the Nominating and Corporate Governance Committee may develop specific additional selection criteria for board membership, taking into consideration current board composition and ensuring that the appropriate knowledge, skills and experience are represented. There are no specific additional criteria at this time. Huntington generally does not pay any third parties to identify or evaluate, or assist in identifying or evaluating, potential nominees.

Shareholders who wish to recommend director candidates for consideration by the Nominating and Corporate Governance Committee may send a written notice to the Secretary at Huntington s principal executive offices. The notice should indicate the name, age, and address of the person recommended, the person s principal occupation or employment for the last five years, other public company boards on which the person serves, whether the person would qualify as independent as the term is defined under the applicable listing standards of Nasdaq, and the class and number of shares of Huntington securities owned by the person. The Nominating and Corporate Governance Committee may require additional information to determine the qualifications of the person recommended. The notice should also state the name and address of, and the class and number of shares of Huntington securities owned by, the person or persons making the recommendation.

All members of the Nominating and Corporate Governance Committee have been determined to be independent as the term is defined under the applicable listing standards of Nasdaq. A copy of the Nominating and Corporate Governance Committee s Charter is available on the Investor Relations pages of Huntington s website at huntington.com.

Pension Review Committee. The Pension Review Committee provides recommendations to the Board of Directors in connection with actions taken by the Board in fulfillment of the duties and responsibilities delegated to Huntington and/or the Board pursuant to the provisions of Huntington s retirement plans. In addition, the Pension Review Committee acts on behalf of the Board in fulfilling such duties and responsibilities as are delegated by written action of the Board. The Pension Review Committee also takes such actions as are specifically granted to the Committee pursuant to retirement plan documents.

Risk Committee. The Risk Committee assists the Board of Directors in overseeing Huntington s policies, procedures, and practices relating to Huntington s enterprise-wide risks. The Risk Committee also oversees Huntington s compliance with applicable laws and regulations, and reviews all regulatory findings directed to the Board s attention, assesses the adequacy of management s response to all material regulatory findings, and monitors compliance with management s response. In addition, the Risk Committee oversees material pending litigation and monitors whether material new initiatives have been appropriately analyzed and approved.

Report of the Audit Committee

The following Report of the Audit Committee should not be deemed filed or incorporated by reference into any other document, including Huntington s filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Huntington specifically incorporates this Report into any such filing by reference.

The Audit Committee is comprised of three of Huntington s non-employee directors. David P. Lauer, who serves as Chairman of the Committee, qualifies as an audit committee financial expert as the term is defined in the rules of the Securities and Exchange Commission. All members of the Audit Committee have been determined to be independent as the term is defined under applicable listing standards of Nasdaq, including the more stringent criteria for audit committee members. The written charter for the Audit Committee, which was updated in January 2005, is included with this Proxy Statement as Appendix I.

A primary responsibility of the Audit Committee is to oversee the integrity of Huntington s financial statements, including policies, procedures and practices regarding the preparation of financial statements, the financial reporting process, disclosures, and the internal control over financial reporting. In carrying out its duties, the Audit Committee has reviewed and discussed the audited financial statements for the year ended December 31, 2004, with Huntington s Management and with Huntington s independent auditors, Deloitte & Touche LLP. This discussion included the selection, application, and disclosure of critical accounting policies. The Audit Committee has also reviewed with Deloitte & Touche LLP its judgment as to the quality, not just the acceptability, of Huntington s accounting principles and such other matters required to be discussed under auditing standards generally accepted in the United States, including the *Statements on Auditing Standards No. 61, as amended, Communication with Audit Committees*.

In addition, the Audit Committee has reviewed the written disclosures and letter from Deloitte & Touche LLP required by *Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees*, and has discussed with Deloitte & Touche LLP its independence from Huntington. Based on this review and discussion, and a review of the services provided by the outside auditors during 2004, the Audit Committee believes that the services provided by Deloitte & Touche LLP in 2004 are compatible with and do not impair Deloitte & Touche LLP s independence.

Based on these reviews and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in Huntington s Annual Report on Form 10-K for the year 2004 for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE

David P. Lauer, Chairman

David L. Porteous

Kathleen H. Ransier

Director Compensation

Only non-employee directors of Huntington receive compensation for their services as directors. Each non-employee director receives quarterly retainer payments at an annual rate of $27,000. The chairman of the Audit Committee receives an additional quarterly retainer payment at an annual rate of $7,500. Chairmen of all other standing committees of the Board of Directors receive additional quarterly retainer payments at an annual rate of $5,000. In addition, each non-employee director receives $1,500 for each Board or committee meeting ($2,500 for Audit Committee meetings) the director attends. Non-employee directors are paid $750 for each special, teleconference Board or committee meeting in which the director participates.

Huntington considers stock option grants to non-employee directors on an annual basis in amounts determined at the discretion of the Compensation Committee. Options to purchase 7,500 shares of Huntington common stock were granted on July 8, 2004, to each of the non-employee directors. These options, which were granted under Huntington s 2004 Stock and Long-Term Incentive Plan, have an exercise price of $23.03 per share, which was the average of the high and low market price of the underlying shares on the date of grant. The options become exercisable in equal increments on each of the first three anniversaries of the date of grant. Generally, the exercise price of options may be paid for in cash or in shares of Huntington common stock.

All or any portion of the cash compensation otherwise payable to a director may be deferred if such director elects to participate in the Huntington Bancshares Incorporated Deferred Compensation Plan and Trust for Huntington Bancshares Incorporated Directors. The plan allows the members of the Board of Directors to elect to defer receipt of all or a portion of the compensation payable to them in the future for services as directors. Huntington transfers cash equal to the compensation deferred pursuant to the plan to a trust fund where it is allocated to the accounts of the participating directors. The trustee of the plan has broad investment discretion over the trust fund and is authorized to invest in many forms of securities and other instruments, including Huntington common stock. Distribution of a director s account will be made either in a lump sum or in equal annual installments over a period of not more than ten years, as elected by each director. Such distribution will commence upon the earlier of 30 days after the attainment of an age specified by the director at the time the deferral election was made, or within 30 days of the director s termination as a director. All of the assets of the plan including the assets of the trust fund are subject to the claims of the creditors of Huntington. The rights of a director or his or her beneficiaries to any of the assets of the plan are no greater than the rights of an unsecured general creditor of Huntington. Directors who are also employees of Huntington do not receive compensation as directors and, therefore, are ineligible to participate in this deferred compensation plan.

Transactions with Directors and Executive Officers

Indebtedness of Management

Some of the directors, nominees for election as directors, and executive officers of Huntington are customers of Huntington s affiliated financial and lending institutions and have transactions with such affiliates in the ordinary course of business. Directors, nominees, and executive officers of Huntington also may be affiliated with entities which are customers of Huntington s affiliated financial and lending institutions and which enter into transactions with such affiliates in the ordinary course of business. Transactions with directors, nominees, executive officers, and their affiliates have been on substantially the same terms, including interest rates and collateral on loans, as those prevailing at the time for comparable transactions with others and did not involve more than the normal risk of collectibility or present other unfavorable features.

Certain Other Transactions

Raymond J. Biggs, a director of Huntington, served as an officer of Huntington Bancshares Michigan, Inc. from 1990 to 1994, following Huntington s acquisition of First Macomb Bank, of which Mr. Biggs was an executive officer. Mr. Biggs currently receives periodic payments from Huntington, which amounts represent the negotiated settlement of supplemental retirement and other benefits payable to Mr. Biggs under a Supplemental Retirement Income Agreement previously entered into between Mr. Biggs and First Macomb Bank. The negotiated benefits, as agreed upon in 1995, are annual payments of $15,159 for fifteen years from 1995, and monthly payments of $13,142.20 beginning in August of 2002 and continuing for fifteen years.

Huntington Mezzanine Opportunities Inc., a wholly-owned subsidiary of Huntington, established in 2002 a private corporate mezzanine investment fund, providing financing in transaction amounts up to $10 million to assist middle market companies primarily in the Midwest with growth or acquisition strategies. Stonehenge Mezzanine Partners LLC serves as the asset manager to develop and manage the fund, which is its sole purpose. Under the investment management agreement, Stonehenge Mezzanine Partners LLC receives a quarterly management fee equal to the greater of a fixed amount or a set percentage of the mezzanine loan balances. For the first five years of the agreement, the minimum quarterly management fee is equal to $262,500; thereafter the minimum is $62,500. Stonehenge Mezzanine Partners LLC is also eligible to receive a percentage of profits based on the performance of the investments. Michael J. Endres, a director of Huntington, has a 20% equity interest in Stonehenge Mezzanine Partners, LLC.

During 2004, The Huntington National Bank made an equity investment of $10 million in the Stonehenge Opportunity Fund II, LP (the Fund) which intends to operate as a Small Business Investment Company licensed by the Small Business Administration. The Fund will seek to generate long-term capital appreciation by investing equity and, in certain cases, mezzanine securities of a diverse portfolio of companies across a variety of industries. Management of Huntington and The Huntington National Bank determined that the investment would provide a cost effective means to participate in financing small businesses, would provide a means of obtaining lending or investment credit under the Community Reinvestment Act, and would generally be favorable to Huntington. The Fund will be managed by Stonehenge Partners, Inc., an investment firm of which Michael J. Endres is a principal and a 1/8 interest shareholder. The Fund will pay to Stonehenge Partners, Inc. management fees not to exceed on an annual basis 2.00% of the total private capital commitments and anticipated Small Business Administration debentures of the Fund. In addition, Stonehenge Partners, Inc. is the controlling entity of Stonehenge Equity Partners, LLC, which serves as General Partner of the Fund.

Kathleen H. Ransier, a director of Huntington, is a partner with the law firm Vorys, Sater, Seymour and Pease LLP. None of Huntington or its subsidiaries engage or otherwise utilize the services of this law firm. However, other attorneys with Vorys, Sater, Seymour and Pease LLP currently represent an estate and related trust which The Huntington National Bank serves as fiduciary. The law firm s fees are paid from the assets of the estate or trust, as is generally the case when the firm represents a bank in a fiduciary capacity. The amount of fees for these services is significantly below 5% of the firm s annual gross revenues. From time to time, other attorneys with Vorys, Sater, Seymour and Pease LLP may represent other estates and/or trusts which The Huntington National Bank serves as fiduciary. In such cases, the firm would be selected at the specific request or recommendation of the testator, grantor, or beneficiaries, as the case may be, but only if The Huntington National Bank, in the exercise of its fiduciary duties, believes the representation to be appropriate, and the law firm s fees would be paid from the assets of the estate or trust.

The Huntington National Bank has a mortgage correspondent program in which numerous lenders participate, including M/I Financial Corp., a mortgage banking subsidiary of M/I Homes, Inc. Robert H. Schottenstein, a director of Huntington, serves as Chairman, Chief Executive Officer, and President of M/I Homes, Inc. Under the program, The Huntington National Bank establishes the types of mortgage loans it desires to acquire from time to time and the terms at which it will purchase them. Approved lenders may tender complying loans in accordance with the program s terms and conditions. During 2004, The Huntington National Bank purchased loans from M/I Financial Corp. under the program totaling $166,610,233.

Ownership of Voting Stock

The following table sets forth the beneficial ownership of Huntington common stock by each of Huntington s directors, nominees for director, the chief executive officer, and the four next most highly compensated executive officers as of December 31, 2004.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned(1)		Percent of Class
Ronald C. Baldwin	310,041	(3)	(5)
Raymond J. Biggs	1,765,619	(2)(4)	(5)
Don M. Casto III	298,316	(2)(4)	(5)
Richard A. Cheap	110,046	(3)	(5)
Michael J. Endres	26,380	(4)	(5)
John B. Gerlach, Jr.	1,630,546	(2)(4)	(5)
Thomas E. Hoaglin	906,857	(2)(3)	(5)
Karen A. Holbrook	0		0
David P. Lauer	18,483	(2)	(5)
Wm. J. Lhota	103,980	(2)(4)	(5)
Michael J. McMennamin	251,717	(2)(3)	(5)
Mary W. Navarro	33,531	(2)(3)	(5)
David L. Porteous	443,273	(2)(4)	(5)
Kathleen H. Ransier	5,500	(2)	(5)
Robert H. Schottenstein	75,346	(4)	(5)
Directors as a group (11 in group)	5,274,300	(2)(3)(4)	2.27%
Executive Officers as a group (9 in group)	1,866,949	(2)(3)	(5)
Directors and Executive Officers as a group (19 in group)	6,234,392	(2)(3)(4)	2.67%

(1) Except as otherwise noted, none of the named individuals shares with another person either voting or investment power as to the shares reported. Figures include the following number of shares of common stock which could have been acquired within 60 days of December 31, 2004, under stock options awarded under Huntington s stock option plans:

Mr. Baldwin	284,601	Mr. McMennamin	217,147
Mr. Biggs	2,500	Ms. Navarro	31,667
Mr. Casto	46,126	Ms. Ransier	2,500
Mr. Cheap	87,567	Mr. Schottenstein	41,734
Mr. Endres			