



Presented by

Naveen Chandrashekar
Associate Director
Rocky Mountain Chapter

Naveen.chandrashekar1@gmail.com
(614) 327 2018

<https://www.betterinvesting.org/chapters/rocky-mountain>

1

1


B

2


Disclaimer

- The information in this presentation is for educational purposes only and is not intended to be a recommendation to purchase or sell any of the stocks, mutual funds, or other securities that may be referenced. The securities of companies referenced or featured in the seminar materials are for illustrative purposes only and are not to be considered endorsed or recommended for purchase or sale by BetterInvesting™ / National Association of Investors™. The views expressed are those of the instructors, commentators, guests and participants, as the case may be, and do not necessarily represent those of BetterInvesting. Investors should conduct their own review and analysis of any company of interest before making an investment decision.
- Securities discussed may be held by the instructors in their own personal portfolios or in those of their clients. BetterInvesting presenters and volunteers are held to a strict code of conduct that precludes benefitting financially from educational presentations or public activities via any BetterInvesting programs, events and/or educational sessions in which they participate. Any violation is strictly prohibited and should be reported to the CEO of BetterInvesting or the Director of Chapter Relations.
- This presentation may contain images of websites and products or services not endorsed by BetterInvesting. The presenter is not endorsing or promoting the use of these websites, products or services.
- National Association of Investors™, BetterInvesting™ and the BetterInvesting™ Icon are trademarks/registered trademarks. All rights reserved. © 2021 BetterInvesting™.
- **We may be recording this session for our future use.**

2



3




Huntington Bankshares Inc


- Corporate Profile
 - Founded in 1886, incorporated in Columbus, Ohio
 - Trades on Nasdaq under the symbol HBAN
 - \$201B in asset
 - 975 branches in 12 states
 - #1 SBA lender for 6 consecutive years
 - Deposit balances were at record level for 2023

<https://www.betterinvesting.org/chapters/rocky-mountain>

3



4





Huntington Bankshares Inc

Consumer and Commercial Banking

- Retail consumers, Business customers
- Deposits, Lending, Mortgage banking
- Payments
- Mortgage Banking, Insurance
- Investment Management, Brokerage

<https://www.betterinvesting.org/chapters/rocky-mountain>

4



Huntington Bankshares Inc



Acquisitions in the last 10 years

- TCF Financial Corporation in June 2021
 - Added \$48B in assets and 475 branches
 - Exposure to new markets in Minnesota and Colorado
 - Opportunity of new business segment
- FirstMerit Corporation in 2016
 - Broadening Midwest presence in Ohio and Michigan
 - Added \$26B in assets and 370 branches

<https://www.betterinvesting.org/chapters/rocky-mountain>

5

5



Huntington Bankshares Inc


Strengths

- Over 10 million consumer and commercial accounts
- Deposit balance of \$151.2 billion
- Average total loans and leases were \$121.2 billion
- Increase in core deposit balance
- Focused on strong customer relationships
- Moderate – to – low risk appetite

<https://www.betterinvesting.org/chapters/rocky-mountain>

6

6



Huntington Bankshares Inc

Weaknesses

- Smaller footprint compared to peers
- Stringent lending rules
- High-balance requirements on deposits and money market accounts
- Technology adoption has been slow to date

<https://www.betterinvesting.org/chapters/rocky-mountain>

7

7



Huntington Bankshares Inc

Opportunities

- Planning on moving into Texas
- Offer more digital banking services
- Add specialty commercial verticals
 - Healthcare Asset-Based Lending
 - Native American Financial Services

<https://www.betterinvesting.org/chapters/rocky-mountain>

8

8



Huntington Bankshares Inc



Threats

- Competition from national and regional banks
- Economic conditions
- Acquisition target
- Regulatory and compliance risks that might add more cost to operations

<https://www.betterinvesting.org/chapters/rocky-mountain>

9

9



Huntington Bankshares Inc

Important Banking Ratios

- Net Interest Margin (NIM)
- Return on Average Assets (ROAA)
- Loan-to-Deposit Ratio (LDR)
- Net Charge-off Ratio (NCO)
- Loan Loss Provision Ratio

<https://www.betterinvesting.org/chapters/rocky-mountain>

10

10



Huntington Bankshares Inc

Net interest margin (NIM) measures the interest a bank earns from loans to the interest it pays to depositors

$$\text{NIM} = \frac{(\text{Interest earned} - \text{Interest paid})}{\text{Avg earning assets}} \times 100$$

For Huntington Bank NIM increased from 2.94% to 3.32% in 2023

<https://www.betterinvesting.org/chapters/rocky-mountain>

11

11



Huntington Bankshares Inc

Return on Average Assets – Indicates how efficiently a company is using its assets to generate profits

$$\text{ROAA} = \frac{\text{Net Income}}{\text{Avg Total Assets}}$$


Current ROAA for Huntington is 1.04%


Note: Anything over ratio of 1 is good

<https://www.betterinvesting.org/chapters/rocky-mountain>

12

12



 | **Huntington Bankshares Inc**

Loan-to-deposit Ratio
Indicates what portion of a banks deposits are issued for making loans


$$\text{LDR} = \frac{\text{Total Loans}}{\text{Total Deposits}}$$


Current LDR is 81%, 80% or less is good, but needs to be less than 100.

<https://www.betterinvesting.org/chapters/rocky-mountain>

13

13



 | **Huntington Bankshares Inc**

Net Charge-Off Ratio – measures the portion of a bank’s loans that are **unlikely** to be collected. Less than .50 is better

Net Charge-Off Ratio = $\frac{\text{Net Charge-Offs}}{\text{Avg Outstanding Loans}} \times 100$

Year	Net Charge-Off Ratio
2020	0.45%
2021	0.40%
2022	0.35%
2023	0.31%
2024	0.30%

<https://www.betterinvesting.org/chapters/rocky-mountain>

14

14



Huntington Bankshares Inc

Loan Loss Provision Ratio – measures the amount a bank sets aside to cover potential loan losses relative to total loans.

$$= \frac{\text{Loan Loss Provision}}{\text{Total Loans}} \times 100$$

Per latest report for Huntington it is around 1.93%

Anything over 1.25% is well above average and very well covered

<https://www.betterinvesting.org/chapters/rocky-mountain>



15

15



Huntington Bankshares Inc

Disciplined Management Approach

- Delivering high-quality loan growth and expanding deposit balances
- Implementing balance sheet improvement plan
- Managing expense growth in line with prior guidance
- Maintaining disciplined focus on strong capital aligning with aggregate moderate-to-low risk appetite

<https://www.betterinvesting.org/chapters/rocky-mountain>



16

16



Make A Difference!

Have you benefited from **BetterInvesting**?

Introduce our unique
investment education to others!



Share **BetterInvesting** materials
with your family and friends!

[BetterInvesting.org/InvestBetter](https://www.betterinvesting.org/InvestBetter)

