HUNTINGTON BANCSHARES INC/MD
Form 10-Q
May 07, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
QUARTERLY PERIOD ENDED March 31, 2010
Commission File Number 1-34073
Huntington Bancshares Incorporated

Maryland	**31-0724920**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

41 South High Street, Columbus, Ohio 43287
Registrant s telephone number **(614) 480-8300**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. þ Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). o Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes þ No

There were 716,575,382 shares of Registrant s common stock ($0.01 par value) outstanding on April 30, 2010.

HUNTINGTON BANCSHARES INCORPORATED
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PART I. FINANCIAL INFORMATION

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

Huntington Bancshares Incorporated (we or our) is a multi-state diversified regional bank holding company headquartered in Columbus, Ohio. We have more than 144 years of serving the financial needs of our customers. Through our subsidiaries, including our banking subsidiary, The Huntington National Bank (the Bank), we provide full-service commercial and consumer banking services, mortgage banking services, equipment leasing, investment management, trust services, brokerage services, customized insurance service program, and other financial products and services. Our over 600 banking offices are located in Indiana, Kentucky, Michigan, Ohio, Pennsylvania, and West Virginia. We also offer retail and commercial financial services online at huntington.com; through our technologically advanced, 24-hour telephone bank; and through our network of over 1,300 ATMs. The Auto Finance and Dealer Services (AFDS) group offers automobile loans to consumers and commercial loans to automobile dealers within our six-state banking franchise area. Selected financial service activities are also conducted in other states including: Private Financial Group (PFG) offices in Florida, Massachusetts, and New York, and Mortgage Banking offices in Maryland and New Jersey. International banking services are available through the headquarters office in Columbus and a limited purpose office located in the Cayman Islands and another in Hong Kong.

The following Management s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) provides information we believe necessary for understanding our financial condition, changes in financial condition, results of operations, and cash flows. This MD&A provides updates to the discussion and analysis included in our Annual Report on Form 10-K for the year ended December 31, 2009 (2009 Form 10-K). This MD&A should be read in conjunction with our 2009 Form 10-K, as well as the financial statements, notes, and other information contained in this report.

Our discussion is divided into key segments:

- **Introduction** Provides overview comments on important matters including risk factors, acquisitions, and other items. These are essential for understanding our performance and prospects.
- **Discussion of Results of Operations** Reviews financial performance from a consolidated company perspective. It also includes a Significant Items section that summarizes key issues helpful for understanding performance trends. Key consolidated average balance sheet and income statement trends are also discussed in this section.
- **Risk Management and Capital** Discusses credit, market, liquidity, and operational risks, including how these are managed, as well as performance trends. It also includes a discussion of liquidity policies, how we obtain funding, and related performance. In addition, there is a discussion of guarantees and/or commitments made for items such as standby letters of credit and commitments to sell loans, and a discussion that reviews the adequacy of capital, including regulatory capital requirements.
- **Business Segment Discussion** Provides an overview of financial performance for each of our major business segments and provides additional discussion of trends underlying consolidated financial performance.

A reading of each section is important to understand fully the nature of our financial performance and prospects.

Forward-Looking Statements

This report, including MD&A, contains certain forward-looking statements, including certain plans, expectations, goals, projections, and statements, which 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. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Actual results could differ materially from those contained or implied by such statements for a variety of factors including: (1) deterioration in the loan portfolio could be worse than expected due to a number of factors such as the underlying value of the collateral could prove less valuable than otherwise assumed and assumed cash flows may be worse than expected; (2) changes in economic conditions; (3) movements in interest rates; (4) competitive pressures on product pricing and services; (5) success and timing of other business strategies; (6) extended disruption of vital

infrastructure; and (7) the nature, extent, and timing of governmental actions and reforms. Additional factors that could cause results to differ materially from those described above can be found in our 2009 Annual Report on Form 10-K, and documents subsequently filed by us with the Securities and Exchange Commission.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. We assume no 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.

Risk Factors

We, like other financial companies, are subject to a number of risks that may adversely affect our financial condition or results of operation, many of which are outside of our direct control, though efforts are made to manage those risks while optimizing returns. Among the risks assumed are: (1) credit risk, which is the risk of loss due to loan and lease customers or other counterparties not being able to meet their financial obligations under agreed upon terms, (2) market risk, which is the risk of loss due to changes in the market value of assets and liabilities due to changes in market interest rates, foreign exchange rates, equity prices, and credit spreads, (3) liquidity risk, which is the risk of loss due to the possibility that funds may not be available to satisfy current or future obligations resulting from external macro market issues, investor and customer perception of financial strength, and events unrelated to the company such as war, terrorism, or financial institution market specific issues, and (4) operational risk, which is the risk of loss due to human error, inadequate or failed internal systems and controls, violations of, or noncompliance with, laws, rules, regulations, prescribed practices, or ethical standards, external influences, fraudulent activities, disasters, and security risks.

More information on risk is set forth under the heading Risk Factors included in Item 1A of our 2009 Form 10-K. Additional information regarding risk factors can also be found in the Risk Management and Capital discussion.

Critical Accounting Policies and Use of Significant Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States (GAAP). The preparation of financial statements in conformity with GAAP requires us to establish critical accounting policies and make accounting estimates, assumptions, and judgments that affect amounts recorded and reported in our financial statements. Note 1 of the Notes to Consolidated Financial Statements included in our 2009 Form 10-K as supplemented by this report lists significant accounting policies we use in the development and presentation of our financial statements. This MD&A, the significant accounting policies, and other financial statement disclosures identify and address key variables and other qualitative and quantitative factors necessary for an understanding and evaluation of our company, financial position, results of operations, and cash flows.

An accounting estimate requires assumptions about uncertain matters that could have a material effect on the financial statements if a different amount within a range of estimates were used or if estimates changed from period to period. Estimates are made under facts and circumstances at a point in time, and changes in those facts and circumstances could produce results that significantly differ from when those estimates were made.

Our most significant accounting estimates relate to our allowance for credit losses (ACL), fair value measurements, and income taxes and deferred tax assets. These significant accounting estimates and their related application are discussed in our 2009 Form 10-K, and the discussion below provides pertinent updates to those accounting estimates.

Total Allowances for Credit Losses

The ACL is the sum of the allowance for loan and lease losses (ALLL) and the allowance for unfunded loan commitments and letters of credit (AULC), and represents the estimate of the level of reserves appropriate to absorb inherent credit losses. The amount of the ACL was determined by judgments regarding the quality of each individual loan portfolio and loan commitments. All known relevant internal and external factors that affected loan collectibility were considered, including analysis of historical charge-off experience, migration patterns, changes in economic conditions, and changes in loan collateral values. Such factors are subject to regular review and may change to reflect updated performance trends and expectations, particularly in times of severe stress such as were experienced throughout 2009, and have continued into 2010. We believe the process for determining the ACL considers all of the potential factors that could result in credit losses. However, the process includes judgmental and quantitative elements that may be subject to significant change. There is no certainty that the ACL will be adequate over time to cover credit losses in the portfolio because of continued adverse changes in the economy, market conditions, or events adversely affecting specific customers, industries or markets. To the extent actual outcomes differ from our estimates, the credit

quality of our customer base materially decreases, the risk profile of a market, industry, or group of customers changes materially, or if the ACL is determined to not be adequate, additional provision for credit losses could be required, which could adversely affect our business, financial condition, liquidity, capital, and results of operations in future periods.

At March 31, 2010, the ACL was $1,527.9 million, or 4.14% of total loans and leases. To illustrate the potential effect on the financial statements of our estimates of the ACL, a 50 basis point increase in the ACL would have required $184.7 million in additional reserves (funded by additional provision for credit losses), which would have negatively impacted net income for the first three-month period of 2010 by approximately $120.0 million after-tax, or $0.17 per common share.

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Fair Value Measurements

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Assets and liabilities carried at fair value inherently result in a higher degree of financial statement volatility. We estimate the fair value of a financial instrument using a variety of valuation methods. Where financial instruments are actively traded and have quoted market prices, quoted market prices are used for fair value. We characterize active markets as those where transaction volumes are sufficient to provide objective pricing information, with reasonably narrow bid/ask spreads, and where received quoted prices do not vary widely. When the financial instruments are not actively traded, other observable market inputs, such as quoted prices of securities with similar characteristics, may be used, if available, to determine fair value. Inactive markets are characterized by low transaction volumes, price quotations that vary substantially among market participants, or in which minimal information is released publicly. When observable market prices do not exist, we estimate fair value primarily by using cash flow and other financial modeling methods. Our valuation methods consider factors such as liquidity and concentration concerns and, for the derivatives portfolio, counterparty credit risk. Other factors such as model assumptions, market dislocations, and unexpected correlations can affect estimates of fair value. Changes in these underlying factors, assumptions, or estimates in any of these areas could materially impact the amount of revenue or loss recorded.

The Financial Accounting Standard Board s (FASB) Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements , establishes a framework for measuring the fair value of financial instruments that considers the attributes specific to particular assets or liabilities and establishes a three-level hierarchy for determining fair value based on the transparency of inputs to each valuation as of the fair value measurement date. The three levels are defined as follows:

Level 1 quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices of identical or similar assets or liabilities in markets that are not active, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs that are unobservable and significant to the fair value measurement. Financial instruments are considered Level 3 when values are determined using pricing models, discounted cash flow methodologies, or similar techniques, and at least one significant model assumption or input is unoberservable.

At the end of each quarter, we assess the valuation hierarchy for each asset or liability measured. Occasionally, assets or liabilities may be transferred within hierarchy levels due to changes in availability of observable market inputs at the measurement date. The fair values measured at each level of the fair value hierarchy, as well as additional discussion regarding fair value measurements, can be found in Note 13 of the Notes to the Unaudited Condensed Consolidated Financial Statements.

AUTOMOBILE LOAN SECURITIZATION

Effective January 1, 2010, we consolidated an automobile loan securitization that previously had been accounted for as an off-balance sheet transaction. We elected to account for the automobile loan receivables and the associated notes payable at fair value per guidance supplied in ASC 810, Consolidation .

The key assumptions used to determine the fair value of the automobile loan receivables included a projection of expected losses and prepayment of the underlying loans in the portfolio and a market assumption of interest rate spreads. Certain interest rates are available from similarly traded securities while other interest rates are developed internally based on similar asset-backed security transactions in the market. The associated notes payable are valued based upon Level 1 prices because they are actively traded in the market.

INVESTMENT SECURITIES

(This section should be read in conjunction with the Investment Securities Portfolio discussion and Note 4 of the Notes to the Unaudited Condensed Consolidated Financial Statements.)

Level 3 Analysis on Certain Securities Portfolios

Our Alt-A, collateralized mortgage obligation (CMO), and pooled-trust-preferred securities portfolios are classified as Level 3, and as such, the significant estimates used to determine the fair value of these securities have greater subjectivity. The Alt-A and CMO securities portfolios are subjected to a monthly review of the projected cash flows, while the cash flows of our pooled-trust-preferred securities portfolio are reviewed quarterly. These reviews are supported with analysis from independent third parties, and are used as a basis for impairment analysis. These three portfolios, and the results of our impairment analysis for each portfolio, are discussed in further detail below:

Alt-A mortgage-backed / Private-label CMO securities represent securities collateralized by first-lien residential mortgage loans. At March 31, 2010, our Alt-A securities portfolio had a fair value of $113.7 million, and our CMO securities portfolio had a fair value of $462.7 million. As the lowest level input that is significant to the fair value measurement of these securities in its entirety was a Level 3 input, we classified all securities within these portfolios as Level 3 in the fair value hierarchy. The securities were priced with the assistance of an outside third-party specialist using a discounted cash flow approach and the independent third-party s proprietary pricing model. The model used inputs such as estimated prepayment speeds, losses, recoveries, default rates that were implied by the underlying performance of collateral in the structure or similar structures, discount rates that were implied by market prices for similar securities, collateral structure types, and house price depreciation/appreciation rates that were based upon macroeconomic forecasts.

We analyzed both our Alt-A mortgage-backed and private-label CMO securities portfolios to determine if the securities in these portfolios were other-than-temporarily impaired. We used the analysis to determine whether we believed it is probable that all contractual cash flows would not be collected. All securities in these portfolios remained current with respect to interest and principal at March 31, 2010.

Our analysis indicated, as of March 31, 2010, a total of 4 Alt-A mortgage-backed securities and 10 private-label CMO securities could experience a loss of principal in the future. The future expected losses of principal on these other-than-temporarily impaired securities ranged from 1.33% to 88.79% of their par value. These losses were projected to occur beginning anywhere from 6 months to 21 months in the future. We measured the amount of credit impairment on these securities using the cash flows discounted at each security s effective rate. As a result, during the 2010 first quarter, we recorded $0.6 million of other-than-temporary impairment (OTTI) in our Alt-A mortgage-backed securities portfolio and $2.6 million of OTTI in our private-label CMO securities portfolio. These OTTI adjustments negatively impacted our earnings.

Pooled-trust-preferred securities represent collateralized debt obligations (CDOs) backed by a pool of debt securities issued by financial institutions. At March 31, 2010, our pooled-trust-preferred securities portfolio had a fair value of $105.4 million. As the lowest level input that is significant to the fair value measurement of these securities in its entirety was a Level 3 input, we classified all securities within this portfolio as Level 3 in the fair value hierarchy. The collateral generally consisted of trust-preferred securities and subordinated debt securities issued by banks, bank holding companies, and insurance companies. A full cash flow analysis was used to estimate fair values and assess impairment for each security within this portfolio. Impairment was calculated as the difference between the carrying amount and the amount of cash flows discounted at each security s effective rate. We engaged a third-party specialist with direct industry experience in pooled-trust-preferred securities valuations to provide assistance in estimating the fair value and expected cash flows for each security in this portfolio. Relying on cash flows was necessary because there was a lack of observable transactions in the market and many of the original sponsors or dealers for these securities were no longer able to provide a fair value that was compliant with ASC 820, Fair Value Measurements and Disclosures .

The analysis was completed by evaluating the relevant credit and structural aspects of each pooled-trust-preferred security in the portfolio, including collateral performance projections for each piece of collateral in each security and terms of each security s structure. The credit review included analysis of profitability, credit quality, operating efficiency, leverage, and liquidity using the most recently available financial and regulatory information for each underlying collateral issuer. We also reviewed historical industry default data and current/near term operating conditions. Using the results of our analysis, we estimated appropriate default and recovery probabilities for each piece of collateral and then estimated the expected cash flows for each security. No recoveries were assumed on

issuers who are in default. The recovery assumptions on issuers who are deferring interest ranged from 10% to 55% with a cure assumed after the maximum deferral period. As a result of this testing, we believe we will experience a loss of principal or interest on 11 securities; and as such, recorded OTTI of $3.2 million in the 2010 first quarter relating to these securities. These OTTI adjustments negatively impacted our earnings.

Certain other assets and liabilities which are not financial instruments also involve fair value measurements, and were discussed in our 2009 Form 10-K. Pertinent updates regarding these assets and liabilities are discussed below:

GOODWILL

Goodwill is tested for impairment annually, as of October 1, using a two-step process that begins with an estimation of the fair value of a reporting unit. Goodwill impairment exists when a reporting unit s carrying value of goodwill exceeds its implied fair value. Goodwill is also tested for impairment on an interim basis, using the same two-step process as the annual testing, if an event occurs or circumstances change between annual tests that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Impairment losses, if any, are reflected in noninterest expense.

Significant judgment is applied when goodwill is assessed for impairment. This judgment includes developing cash flow projections, selecting appropriate discount rates, identifying relevant market comparables, incorporating general economic and market conditions, and selecting an appropriate control premium. The selection and weighting of the various fair value techniques may result in a higher or lower fair value. Judgment is applied in determining the weightings that are most representative of fair value. Changes in market capitalization, certain judgments, and projections could result in a significantly different estimate of the fair value of the reporting units and could result in an impairment of goodwill.

We concluded that no goodwill impairment was required or existed during the 2010 first quarter.

OTHER REAL ESTATE OWNED (OREO)

OREO property obtained in satisfaction of a loan is recorded at its estimated fair value less anticipated selling costs based upon the property s appraised value at the date of transfer, with any difference between the fair value of the property, less anticipated selling costs, and the carrying value of the loan charged to the ALLL. Subsequent declines in value are reported as adjustments to the carrying amount, and are charged to noninterest expense. Gains or losses not previously recognized resulting from the sale of OREO are recognized in noninterest expense on the date of sale. At March 31, 2010, OREO totaled $152.3 million, representing a 9% increase compared with $140.1 million at December 31, 2009.

Income Taxes and Deferred Tax Assets

DEFERRED TAX ASSETS

At March 31, 2010, we had a net deferred tax asset of $557.2 million. Based on our ability to offset the net deferred tax asset against our forecast of future taxable income, there was no impairment of the deferred tax asset at March 31, 2010. All available evidence, both positive and negative, was considered to determine whether, based on the weight of that evidence, impairment should be recognized. However, our forecast process includes judgmental and quantitative elements that may be subject to significant change. If our forecast of taxable income within the carryforward periods available under applicable law is not sufficient to cover the amount of net deferred tax assets, such assets may be impaired.

On March 31, 2010, the net deferred tax asset relating to the assets acquired from Franklin Credit Management Corporation (Franklin) on March 31, 2009 *(see Significant Items discussion)* increased by $43.6 million relating to the expiration of the 12-month recognition period under Internal Revenue Code of 1986 (IRC) Section 382. In general, IRC Section 382 imposes a one-year limitation on bad debt deductions allowed for tax purposes under IRC section 166. Any bad debt deductions recognized after March 31, 2010, would not be limited by IRC Section 382.

Recent Accounting Pronouncements and Developments

Note 2 to the Unaudited Condensed Consolidated Financial Statements discusses new accounting pronouncements adopted during 2010 and the expected impact of accounting pronouncements recently issued but not yet required to be adopted. To the extent the adoption of new accounting standards materially affect financial condition, results of operations, or liquidity, the impacts are discussed in the applicable section of this MD&A and the Notes to the Unaudited Condensed Consolidated Financial Statements.

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Table 1 Selected Quarterly Income Statement Data[1]

	2010	2009			
(amounts in thousands, except per share amounts)	**First**	Fourth	Third	Second	First
Interest income	**$ 546,779**	$ 551,335	$ 553,846	$ 563,004	$ 569,957
Interest expense	**152,886**	177,271	191,027	213,105	232,452
Net interest income	**393,893**	374,064	362,819	349,899	337,505
Provision for credit losses	**235,008**	893,991	475,136	413,707	291,837
Net interest income (loss) after provision for credit losses	**158,885**	(519,927)	(112,317)	(63,808)	45,668
Service charges on deposit accounts	**69,339**	76,757	80,811	75,353	69,878
Brokerage and insurance income	**35,762**	32,173	33,996	32,052	39,948
Mortgage banking income	**25,038**	24,618	21,435	30,827	35,418
Trust services	**27,765**	27,275	25,832	25,722	24,810
Electronic banking	**25,137**	25,173	28,017	24,479	22,482
Bank owned life insurance income	**16,470**	14,055	13,639	14,266	12,912
Automobile operating lease income	**12,303**	12,671	12,795	13,116	13,228
Securities (losses) gains	**(31)**	(2,602)	(2,374)	(7,340)	2,067
Other noninterest income	**29,069**	34,426	41,901	57,470	18,359
Total noninterest income	**240,852**	244,546	256,052	265,945	239,102
Personnel costs	**183,642**	180,663	172,152	171,735	175,932
Outside data processing and other services	**39,082**	36,812	38,285	40,006	32,992
Deposit and other insurance expense	**24,755**	24,420	23,851	48,138	17,421
Net occupancy	**29,086**	26,273	25,382	24,430	29,188
OREO and foreclosure expense	**11,530**	18,520	38,968	26,524	9,887
Equipment	**20,624**	20,454	20,967	21,286	20,410
Professional services	**22,697**	25,146	18,108	16,658	16,454
Amortization of intangibles	**15,146**	17,060	16,995	17,117	17,135
Automobile operating lease expense	**10,066**	10,440	10,589	11,400	10,931
Marketing	**11,153**	9,074	8,259	7,491	8,225
Telecommunications	**6,171**	6,099	5,902	6,088	5,890
Printing and supplies	**3,673**	3,807	3,950	4,151	3,572
Goodwill impairment				4,231	2,602,713
Gain on early extinguishment of debt [2]		(73,615)	(60)	(73,038)	(729)
Other noninterest expense	**20,468**	17,443	17,749	13,765	19,748
Total noninterest expense	**398,093**	322,596	401,097	339,982	2,969,769
Income (Loss) before income taxes	**1,644**	(597,977)	(257,362)	(137,845)	(2,684,999)
Benefit for income taxes	**(38,093)**	(228,290)	(91,172)	(12,750)	(251,792)
Net income (loss)	**$ 39,737**	$ (369,687)	$ (166,190)	$ (125,095)	$ (2,433,207)
Dividends on preferred shares	**29,357**	29,289	29,223	57,451	58,793

Net income (loss) applicable to common shares	**$ 10,380**	$ (398,976)	$ (195,413)	$ (182,546)	$ (2,492,000)
Average common shares basic	**716,320**	715,336	589,708	459,246	366,919
Average common shares diluted [3]	**718,593**	715,336	589,708	459,246	366,919
Net income (loss) per common share basic	**$ 0.01**	$ (0.56)	$ (0.33)	$ (0.40)	$ (6.79)
Net income (loss) per common share diluted	**0.01**	(0.56)	(0.33)	(0.40)	(6.79)
Cash dividends declared per common share	**0.01**	0.01	0.01	0.01	0.01
Return on average total assets	**0.31%**	(2.80)%	(1.28)%	(0.97)%	(18.22)%
Return on average total shareholders equity	**3.0**	(25.6)	(12.5)	(10.2)	N.M.
Return on average tangible shareholders equity [4]	**4.2**	(27.9)	(13.3)	(10.3)	18.4
Net interest margin [5]	**3.47**	3.19	3.20	3.10	2.97
Efficiency ratio [6]	**60.1**	49.0	61.4	51.0	60.5
Effective tax rate (benefit)	**N.M.**	(38.2)	(35.4)	(9.2)	(9.4)
Revenue fully-taxable equivalent (FTE)					
Net interest income	**$ 393,893**	$ 374,064	$ 362,819	$ 349,899	$ 337,505
FTE adjustment	**2,248**	2,497	4,177	1,216	3,582
Net interest income [5]	**396,141**	376,561	366,996	351,115	341,087
Noninterest income	**240,852**	244,546	256,052	265,945	239,102
Total revenue [5]	**$ 636,993**	$ 621,107	$ 623,048	$ 617,060	$ 580,189

N.M., not a meaningful value.

(1) Comparisons for presented periods are impacted by a number of factors. Refer to Significant Items for additional discussion regarding these key factors.

(2) The 2009 fourth quarter gain related to the purchase of certain subordinated bank notes. The 2009 second quarter gain included $67.4 million related to the purchase of certain trust preferred securities.

(3) For all the quarterly periods presented above, the impact of the convertible preferred stock issued in 2008 was excluded from the diluted share calculation. It was excluded because the result would have been higher than basic earnings per common share (anti-dilutive) for the periods.

(4) Net income (loss) excluding expense for amortization of intangibles for the period divided by average tangible

shareholders equity. Average tangible shareholders equity equals average total shareholders equity less average intangible assets and goodwill. Expense for amortization of intangibles and average intangible assets are net of deferred tax liability, and calculated assuming a 35% tax rate.

(5) On a fully-taxable equivalent (FTE) basis assuming a 35% tax rate.

(6) Noninterest expense less amortization of intangibles and goodwill impairment divided by the sum of FTE net interest income and noninterest income excluding securities gains (losses).

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DISCUSSION OF RESULTS OF OPERATIONS

This section provides a review of financial performance from a consolidated perspective. It also includes a Significant Items section that summarizes key issues important for a complete understanding of performance trends. Key condensed consolidated balance sheet and income statement trends are discussed. All earnings per share data are reported on a diluted basis. For additional insight on financial performance, please read this section in conjunction with the Business Segment Discussion .

Summary

We reported net income of $39.7 million in the 2010 first quarter, representing net income per common share of $0.01. These results compared favorably with a net loss of $369.7 million, or $0.56 per common share in the prior quarter. Comparisons with the prior quarter were impacted by factors that are discussed later in the Significant Items section *(see Significant Items discussion).*

The return to profitability was a significant step forward and represents a resetting of our expectations, as we now expect to report a profit for the full-year of 2010. While this is positive, the economic environment remains challenging and we still do not believe there will be any significant economic turnaround in 2010, although there were signs of stabilization.

Credit quality performance in the 2010 first quarter continued to improve. Net charge-offs (NCOs) declined 46% from the prior quarter and represented the lowest level since the third quarter of 2008. Nonperforming assets (NPAs) decreased 7% during the quarter, partially as a result of a 52% decline in new NPAs to $237.9 million in the current quarter from $494.6 million in the prior quarter. Early stage delinquencies in both the commercial and consumer loan portfolios also declined. Despite these improved asset quality measures, and given the current challenging economic environment, we believed it was prudent to maintain our period end allowance for credit losses at 4.14% of total loans and leases, essentially unchanged from the end of the prior quarter. For the remainder of 2010, we expect that the level of NCOs and provision expense will continue to be below 2009 levels.

At the beginning of 2010, we viewed our commercial real estate (CRE) portfolio as our highest-risk loan portfolio. Total average CRE balances declined $0.8 billion as a result of our overall strategy to reduce the level of CRE exposure. The majority of the decline occurred within the noncore portfolio, consistent with our strategy to exit these noncore relationships.

Fully-taxable net interest income in the 2010 first quarter increased $19.6 million, or 5%, compared with the prior quarter, and primarily reflected a 28 basis point increase in the net interest margin. The increase in the net margin reflected a combination of factors including better pricing on deposits and loans, as well as a shift in our deposit mix to lower cost demand deposit and money market accounts. We are continuing to make progress in increasing our net interest income. We expect net interest income to continue to increase throughout 2010. This growth is expected to reflect a combination of factors, but primarily: (a) continued growth in lower-cost core deposits, (b) slightly higher loan and investment securities balances, and (c) a slightly higher net interest margin, reflecting improved loan and deposit spreads, as well as the benefit of continuing to shift our deposit mix to a higher concentration in noninterest-bearing accounts.

Noninterest income in the 2010 first quarter decreased $3.7 million, or 2%, compared with the prior quarter, primarily due to seasonal factors. We expect noninterest income to increase slightly from the current quarter level for the remainder of 2010. While we expect growth in asset management, as well as brokerage and insurance income, we expect those increases to be offset by declines in deposit service charge fees as the changes in related Federal Reserve s regulations are implemented.

Noninterest expense in the 2010 first quarter increased $75.5 million, or 23%, compared with the prior quarter, primarily resulting from a $73.6 million gain on early extinguishment of debt that lowered the prior quarter s noninterest expense. For the remainder of 2010, expenses will remain well-controlled, but are expected to increase slightly from the current quarter level, reflecting investments for growth and the continued implementation of key strategic initiatives.

Both liquidity and capital remained strong. Average total core deposits grew at a 5% annualized rate and our period-end loan-to-deposit ratio was 92%. Our tangible-common-equity-to-tangible-asset (TCE) ratio improved to 5.96% from 5.92%, and our regulatory capital ratios remain well above the regulatory well-capitalized thresholds. We

are comfortable with our current level of capital. We do not have any current plans to issue additional capital.

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Significant Items

Definition of Significant Items

From time-to-time, revenue, expenses, or taxes, are impacted by items judged by us 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 us at that time to be infrequent or short-term in nature, or otherwise make period-to-period comparisons less meaningful. 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, etc. In other cases they may result from our decisions associated with significant corporate actions out of the ordinary course of business; e.g., merger/restructuring charges, recapitalization actions, goodwill impairment, etc.

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, asset valuation writedowns, etc., reflect ordinary banking activities and are, therefore, typically excluded from consideration as a Significant Item .

We believe the disclosure of Significant Items in current and prior period results aids in better understanding our performance and trends to ascertain which of such items, if any, to include or exclude from an analysis of our performance; i.e., within the context of determining how that performance differed from expectations, as well as how, if at all, to adjust estimates of future performance accordingly. To this end, we adopted a practice of listing Significant Items in our external disclosure documents (e.g., earnings press releases, 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 our 2009 Annual Report on Form 10-K and other factors described from time-to-time in our other filings with the Securities and Exchange Commission.

Significant Items Influencing Financial Performance Comparisons

Earnings comparisons were impacted by a number of Significant Items summarized below.

1. **Goodwill Impairment.** The impacts of goodwill impairment on our reported results were as follows:
   - During the 2009 first quarter, bank stock prices continued to decline significantly. Our stock price declined 78% from $7.66 per share at December 31, 2008 to $1.66 per share at March 31, 2009. Given this significant decline, we conducted an interim test for goodwill impairment. As a result, we recorded a noncash $2,602.7 million ($7.09 per common share) pretax charge to noninterest expense.
   - During the 2009 second quarter, a pretax goodwill impairment of $4.2 million ($0.01 per common share) was recorded to noninterest expense relating to the sale of a small payments-related business.
2. **Franklin Relationship.** Our relationship with Franklin was acquired in the Sky Financial Group, Inc. (Sky Financial) acquisition in 2007. On March 31, 2009, we restructured our relationship with Franklin. The impacts of this restructuring on our reported results were as follows:
   - During the 2009 first quarter, a nonrecurring net tax benefit of $159.9 million ($0.44 per common share) was recorded. Also, and although earnings were not significantly impacted, commercial NCOs increased $128.3 million as the previously established $130.0 million Franklin-specific ALLL was utilized to writedown the acquired mortgages and OREO collateral to fair value.
   - During the 2010 first quarter, a $38.2 million ($0.05 per common share) net tax benefit was recognized, primarily reflecting the increase in the net deferred tax asset relating to the assets acquired from the restructuring.
3. **Early Extinguishment of Debt.** The positive impacts relating to the early extinguishment of debt on our reported results were: $73.6 million ($0.07 per common share) in the 2009 fourth quarter and $67.4 million ($0.10 per common share) in the 2009 second quarter. These amounts were recorded to noninterest expense.
4. **Preferred Stock Conversion.** During the 2009 first and second quarters, we converted 114,109 and 92,384 shares, respectively, of Series A 8.50% Non-cumulative Perpetual Preferred (Series A Preferred Stock) stock

into common stock. As part of these transactions, there was a deemed dividend that did not impact net income, but resulted in a negative impact of $0.08 per common share for the 2009 first quarter and $0.06 per common share for the 2009 second quarter. *(See Capital discussion located within the Risk Management and Capital section for additional information.)*

5. **Visa®.** Prior to the Visa® initial public offering (IPO) occurring in March 2008, Visa® was owned by its member banks, which included the Bank. As a result of this ownership, we received shares of Visa® stock at the time of the IPO. In the 2009 second quarter, we sold these Visa® stock shares, resulting in a $31.4 million pretax gain ($0.04 per common share). This amount was recorded to noninterest income.

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6. **Other Significant Items Influencing Earnings Performance Comparisons.** In addition to the items discussed separately in this section, a number of other items impacted financial results. These included:

2009 Fourth Quarter

$11.3 million ($0.02 per common share) benefit to provision for income taxes, representing a reduction to the previously established capital loss carry-forward valuation allowance.

2009 Second Quarter

$23.6 million ($0.03 per common share) negative impact due to a special Federal Deposit Insurance Corporation (FDIC) insurance premium assessment. This amount was recorded to noninterest expense.

The following table reflects the earnings impact of the above-mentioned significant items for periods affected by this Results of Operations discussion:

Table 2 Significant Items Influencing Earnings Performance Comparison (1)

			Three Months Ended			
	March 31, 2010		December 31, 2009		March 31, 2009	
(dollar amounts in thousands, except per share amounts)	**After-tax**	**EPS**	After-tax	EPS	After-tax	EPS
Net income GAAP	**$ 39,737**		$ (369,687)		$ (2,433,207)	
Earnings per share, after-tax		**$ 0.01**		$ (0.56)		$ (6.79)
Change from prior quarter $		**0.57**		(0.23)		(5.59)
Change from prior quarter %		**N.M.%**		(69.7)%		N.M.%
Change from year-ago $		**$ 6.80**		$ 0.64		$ (7.14)
Change from year-ago %		**N.M.%**		N.M.%		N.M.%
	Earnings (2)	**EPS**	Earnings (2)	EPS	Earnings (2)	EPS
Significant items favorable (unfavorable) impact:						
Net tax benefit recognized (3)	**$ 38,222**	**$ 0.05**	$	$	$	$
Franklin relationship restructuring (3)					159,895	0.44
Net gain on early extinguishment of debt			73,615	0.07		
Deferred tax valuation allowance benefit (3)			11,341	0.02		
Goodwill impairment					(2,602,713)	7.09
Preferred stock conversion deemed dividend						(0.08)

N.M., not a meaningful value.

(1) See Significant Items discussion.

(2) Pretax unless otherwise noted.

(3) After-tax.

Pretax, Pre-provision Income Trends

One non-GAAP performance measurement that we believe is useful in analyzing underlying performance trends is pretax, pre-provision income. This is the level of earnings adjusted to exclude the impact of: (a) provision expense, which is excluded because its absolute level is elevated and volatile, (b) investment securities gains/losses, which are

excluded because securities market valuations may also become particularly volatile in times of economic stress, (c) amortization of intangibles expense, which is excluded because the return on tangible common equity is a key measurement that we use to gauge performance trends, and (d) certain other items identified by us *(see Significant Items above)* that we believe may distort our underlying performance trends.

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The following table reflects pretax, pre-provision income for the each of the past five quarters:

Table 3 Pretax, Pre-provision Income (1)

	2010	2009			
(dollar amounts in thousands)	**First**	Fourth	Third	Second	First
Income (Loss) Before Income Taxes	**$ 1,644**	$ (597,977)	$ (257,362)	$ (137,845)	$ (2,684,999)
Add: Provision for credit losses	**235,008**	893,991	475,136	413,707	291,837
Less: Securities (losses) gains	**(31)**	(2,602)	(2,374)	(7,340)	2,067
Add: Amortization of intangibles	**15,146**	17,060	16,995	17,117	17,135
Less: Significant Items					
Gain on early extinguishment of debt (2)		73,615		67,409	
Goodwill impairment				(4,231)	(2,602,713)
Gain related to Visa stock				31,362	
FDIC special assessment				(23,555)	
Total pretax, pre-provision income	**$ 251,829**	$ 242,061	$ 237,143	$ 229,334	$ 224,619
Change in total pretax, pre-provision income:					
Prior quarter change amount	$ 9,768	$ 4,918	$ 7,809	$ 4,715	$ 29,540
Prior quarter change percent	4%	2%	3%	2%	15%

(1) Pretax, pre-provision income is a non-GAAP financial measure. Any ratio utilizing this financial measure is also non-GAAP. This financial measure has been included as it is considered to be a critical metric with which to analyze and evaluate our results of

operations and financial strength. Other companies may calculate this financial measure differently.

(2) Includes only transactions deemed significant.

Net Interest Income / Average Balance Sheet

(This section should be read in conjunction with Significant Item 1.)

2010 First Quarter versus 2009 First Quarter

Fully-taxable equivalent net interest income increased $55.1 million, or 16%, from the year-ago quarter. This reflected the favorable impact of the significant increase in the net interest margin to 3.47% from 2.97%. The net interest margin increase reflected a combination of factors including better pricing on both deposits and loans. It also reflected the benefits of asset and liability management strategies to adjust the asset sensitivity of the balance sheet over the next year while maintaining the flexibility to be prepared for a rising interest rate environment. Although average total earning assets were little changed from the year-ago quarter, this reflected a $4.0 billion, or 91%, increase in average total investment securities, mostly offset by a $3.9 billion, or 10%, decline in average total loans and leases.

The following table details the change in our reported loans and deposits:

Table 4 Average Loans/Leases and Deposits 2010 First Quarter vs. 2009 First Quarter

	First Quarter		Change	
(dollar amounts in millions)	**2010**	2009	Amount	Percent
Loans/Leases				
Commercial and industrial	**$ 12,314**	$ 13,541	$ (1,227)	(9)%
Commercial real estate	**7,677**	10,112	(2,435)	(24)
Total commercial	**19,991**	23,653	(3,662)	(15)
Automobile loans and leases	**4,250**	4,354	(104)	(2)
Home equity	**7,539**	7,577	(38)	(1)
Residential mortgage	**4,477**	4,611	(134)	(3)
Other consumer	**723**	671	52	8
Total consumer	**16,989**	17,213	(224)	(1)
Total loans	**$ 36,980**	$ 40,866	$ (3,886)	(10)%
Deposits				
Demand deposits noninterest-bearing	**$ 6,627**	$ 5,544	$ 1,083	20%
Demand deposits interest-bearing	**5,716**	4,076	1,640	40
Money market deposits	**10,340**	5,593	4,747	85
Savings and other domestic time deposits	**4,613**	5,041	(428)	(8)
Core certificates of deposit	**9,976**	12,784	(2,808)	(22)
Total core deposits	**37,272**	33,038	4,234	13
Other deposits	**2,951**	5,151	(2,200)	(43)
Total deposits	**$ 40,223**	$ 38,189	$ 2,034	5%

The $3.9 billion, or 10%, decrease in average total loans and leases primarily reflected:

$3.7 billion, or 15%, decrease in average total commercial loans. The $1.2 billion, or 9%, decline in average commercial and industrial (C&I) loans reflected a general decrease in borrowing as reflected in a decline in line-of-credit utilization, including significant reductions in our automobile dealer floorplan portfolio, charge-off activity, the 2009 first quarter Franklin restructuring, and the reclassification in the current quarter of variable rate demand notes to municipal securities. These negatives were partially offset by the impact of the reclassifications in 2009 of certain CRE loans, primarily representing owner occupied properties, to C&I loans. The $2.4 billion, or 24%, decrease in average CRE loans reflected our ongoing commitment to reduce balance sheet risk. We are executing several initiatives, which have resulted in portfolio reductions through payoffs and pay-downs, as well as the impact of charge-offs.

$0.2 billion, or 1%, decrease in average total consumer loans. This decrease primarily reflected a $0.3 billion decline in average automobile leases due to the continued run-off of that portfolio, partially offset by a $0.2 billion increase in average automobile loans. The increase in average automobile loans reflected a 70% increase in loan originations from the year-ago quarter. The decline in average residential mortgages reflected the impact of loan sales, as well as the continued refinancing of portfolio loans and the related increased sale of fixed-rate originations, partially offset by additions related to the 2009 first quarter Franklin

restructuring. Average home equity loans were little changed as lower origination volume was offset by slower runoff experience and slightly higher line utilization. Increased line usage continued to be associated with higher quality customers taking advantage of the low interest rate environment.

Offsetting the decline in average total loans and leases was a $4.0 billion, or 91%, increase in average total investment securities, reflecting the deployment of the cash from core deposit growth and loan runoff over this period, as well as the proceeds from 2009 capital actions.

The $2.0 billion, or 5%, increase in average total deposits reflected:

$4.2 billion, or 13%, growth in average total core deposits, primarily reflecting increased sales efforts and initiatives for deposit accounts.

Partially offset by:

A $1.6 billion, or 47%, decline in brokered deposits and negotiable CDs and a $0.4 billion, or 35%, decrease in average other domestic deposits over $250,000, primarily reflecting the reduction of noncore funding sources.

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2010 First Quarter versus 2009 Fourth Quarter

Fully-taxable equivalent net interest income increased $19.6 million, or 5%, from the prior quarter. This reflected an increase in the net interest margin to 3.47% from 3.19%, as average earnings assets declined $0.6 billion, or 1%. The decrease in average earning assets primarily reflected a $0.4 billion, or 4%, decrease in average investment securities, as average total loans and leases were down only $0.1 billion, or less than 1%.

The net interest margin increase reflected a combination of factors including better pricing on both deposits and loans. It also reflected the benefits of asset and liability management strategies to reduce the asset sensitivity of the balance sheet over the next year while maintaining the flexibility to be prepared for a rising rate environment.

The following table details the change in our reported loans and deposits:

Table 5 Average Loans/Leases and Deposits 2010 First Quarter vs. 2009 Fourth Quarter

(dollar amounts in millions)	**2010 First Quarter**	2009 Fourth Quarter	Change Amount	Change Percent
Loans/Leases				
Commercial and industrial	**$ 12,314**	$ 12,570	$ (256)	(2)%
Commercial real estate	**7,677**	8,458	(781)	(9)
Total commercial	**19,991**	21,028	(1,037)	(5)
Automobile loans and leases	**4,250**	3,326	924	28
Home equity	**7,539**	7,561	(22)	
Residential mortgage	**4,477**	4,417	60	1
Other consumer	**723**	757	(34)	(4)
Total consumer	**16,989**	16,061	928	6
Total loans	**$ 36,980**	$ 37,089	$ (109)	%
Deposits				
Demand deposits noninterest-bearing	**$ 6,627**	$ 6,466	$ 161	2%
Demand deposits interest-bearing	**5,716**	5,482	234	4
Money market deposits	**10,340**	9,271	1,069	12
Savings and other domestic time deposits	**4,613**	4,686	(73)	(2)
Core certificates of deposit	**9,976**	10,867	(891)	(8)
Total core deposits	**37,272**	36,772	500	1
Other deposits	**2,951**	3,442	(491)	(14)
Total deposits	**$ 40,223**	$ 40,214	$ 9	%

The $0.1 billion decrease in average total loans and leases primarily reflected:

$0.8 billion, or 9%, decline in CRE loans, primarily resulting from the pay-down and charge-off activity in the current quarter. While charge-offs remain a significant contributor to the decline in balances, we also continued to see substantial net pay-downs totaling $135 million in the current quarter. The pay-down activity was a result of our portfolio management and loan workout strategies, and some very early stage improvements in some of our markets.

$0.3 billion, or 2%, decline in average C&I loans, reflecting a reclassification of $0.3 billion of variable rate demand notes to municipal securities. Underlying growth was more than offset by a combination of

continued lower line-of-credit utilization and pay-downs on term debt as the economic environment has caused many customers to actively reduce their leverage position. Our line-of-credit utilization percentage was 42%, consistent with that of the prior quarter.

Partially offset by:

$0.9 billion, or 28%, increase in average automobile loans and leases, of which $0.8 billion was the result of adopting a new accounting standard to consolidate a previously off-balance sheet automobile loan securitization transaction. At the end of the 2009 first quarter, we transferred $1.0 billion of automobile loans to a trust in a securitization transaction as part of a funding strategy. Upon adoption of the new accounting standard, the trust was consolidated as of January 1, 2010, and at March 31, 2010, the loans had a remaining balance of $0.7 billion.

In addition to the decline in average total loans and leases, average total investment securities decreased $0.4 billion, or 4%, primarily reflecting normal maturities.

Average total deposits were essentially unchanged from the prior quarter reflecting:

$0.5 billion, or 1%, growth in average total core deposits reflecting our focus on growing money market and transaction accounts.

Partially offset by:

$0.5 billion, or 22%, decline in brokered deposits and negotiable CDs, reflecting the intentional reduction in noncore funding sources given the growth in core deposits.

Tables 6 and 7 reflect quarterly average balance sheets and rates earned and paid on interest-earning assets and interest-bearing liabilities.

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Table 6 Consolidated Quarterly Average Balance Sheets

Fully-taxable equivalent basis *(dollar amounts in millions)*	Average Balances 2010 First	2009 Fourth	Third	Second	First	Change 1Q10 vs. 1Q09 Amount	Percent
Assets							
Interest-bearing deposits in banks	**$ 348**	$ 329	$ 393	$ 369	$ 355	$ (7)	(2)%
Trading account securities	**96**	110	107	88	278	(182)	(65)
Federal funds sold and securities purchased under resale agreement		15	7		19	(19)	(100)
Loans held for sale	**346**	470	524	709	627	(281)	(45)
Investment securities:							
Taxable	**8,025**	8,695	6,510	5,181	3,961	4,064	103
Tax-exempt	**445**	139	129	126	465	(20)	(4)
Total investment securities	**8,470**	8,834	6,639	5,307	4,426	4,044	91
Loans and leases: (1)							
Commercial:							
Commercial and industrial	**12,314**	12,570	12,922	13,523	13,541	(1,227)	(9)
Construction	**1,409**	1,651	1,808	1,946	2,033	(624)	(31)
Commercial	**6,268**	6,807	7,071	7,253	8,079	(1,811)	(22)
Commercial real estate	**7,677**	8,458	8,879	9,199	10,112	(2,435)	(24)
Total commercial	**19,991**	21,028	21,801	22,722	23,653	(3,662)	(15)
Consumer:							
Automobile loans	**4,031**	3,050	2,886	2,867	3,837	194	5
Automobile leases	**219**	276	344	423	517	(298)	(58)
Automobile loans and leases	**4,250**	3,326	3,230	3,290	4,354	(104)	(2)
Home equity	**7,539**	7,561	7,581	7,640	7,577	(38)	(1)
Residential mortgage	**4,477**	4,417	4,487	4,657	4,611	(134)	(3)
Other loans	**723**	757	756	698	671	52	8
Total consumer	**16,989**	16,061	16,054	16,285	17,213	(224)	(1)
Total loans and leases	**36,980**	37,089	37,855	39,007	40,866	(3,886)	(10)
Allowance for loan and lease losses	**(1,510)**	(1,029)	(950)	(930)	(913)	(597)	65
Net loans and leases	**35,470**	36,060	36,905	38,077	39,953	(4,483)	(11)
Total earning assets	**46,240**	46,847	45,525	45,480	46,571	(331)	(1)
Cash and due from banks	**1,761**	1,947	2,553	2,466	1,553	208	13
Intangible assets	**725**	737	755	780	3,371	(2,646)	(78)

All other assets	**4,486**	3,956	3,797	3,701	3,571	915	26
Total Assets	**$ 51,702**	$ 52,458	$ 51,680	$ 51,497	$ 54,153	$ (2,451)	(5)%
Liabilities and Shareholders Equity							
Deposits:							
Demand deposits noninterest-bearing	**$ 6,627**	$ 6,466	$ 6,186	$ 6,021	$ 5,544	$ 1,083	20%
Demand deposits interest-bearing	**5,716**	5,482	5,140	4,547	4,076	1,640	40
Money market deposits	**10,340**	9,271	7,601	6,355	5,593	4,747	85
Savings and other domestic time deposits	**4,613**	4,686	4,771	5,031	5,041	(428)	(8)
Core certificates of deposit	**9,976**	10,867	11,646	12,501	12,784	(2,808)	(22)
Total core deposits	**37,272**	36,772	35,344	34,455	33,038	4,234	13
Other domestic time deposits of $250,000 or more	**698**	667	747	886	1,069	(371)	(35)
Brokered time deposits and negotiable CDs	**1,843**	2,353	3,058	3,740	3,449	(1,606)	(47)
Deposits in foreign offices	**410**	422					