

Huntington Bancshares - Growing After the Cadence Conversion

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Decision scope: Growth model across Huntington's expanded southern footprint after Cadence systems conversion

Case convention: This is an author-created strategy exercise. The choice and alternatives are hypothetical, not a disclosed Huntington decision. Use only information available by the cutoff.

The decision

Huntington Bancshares had just completed the systems conversion for Cadence Bank, which it acquired on February 1, 2026. The conversion was completed in mid-June. In its July 23 earnings release, Huntington said it was seeing "early revenue synergies" in Cadence markets. The release did not quantify those synergies by product, customer group, or channel. [1]

Huntington now had to turn an expanded southern footprint into durable customer relationships and growth. Should it put the next phase's emphasis on local relationship-led banking-commercial coverage, local decision-making, and continuity with Cadence customers-or on standardized digital acquisition and cross-sell at scale? A segmented hybrid could standardize platforms and controls while using local bankers where advice, trust, or business complexity matters most.

Assignment: Assume you are advising Huntington's strategy leadership just after the Q2 2026 results. Recommend which growth model should lead across the acquired and combined southern footprint: (A) local relationship-led growth, (B) standardized digital-led acquisition and cross-sell, or (C) a segmented hybrid. State which capabilities receive priority, which customer segments and markets they serve, and what evidence would cause Huntington to expand, adjust, or pause the approach. This assignment is hypothetical; it does not claim that Huntington disclosed a pending internal choice.

Classroom assumptions: Assume leadership can sequence commercial coverage, digital journeys, customer communications, and product cross-sell after systems conversion. No budget, staffing plan, customer cohort data, or internal target is supplied. The decision is about growth deployment and customer experience; it is not a decision to close branches. Huntington's October 2025 statement that it intended to maintain Cadence's broad branch network with no closures is an announcement-time intention, not a verified description of every location after closing. [2]

The enlarged bank

Cadence gave Huntington a larger presence across Texas and the South, including markets such as Dallas and Houston. Huntington described Cadence as a relationship-first, community-based bank and said it would combine Cadence's local bankers and local decision-making with Huntington's digital capabilities and Fair Play products. The company also said at announcement that it intended to maintain Cadence's broad branch network without closures. Those statements document Huntington's transaction rationale and intention at that time; they do not establish customer adoption, post-conversion retention, or the current status of every branch. [2]

At June 30, 2026, Huntington reported more than 1,400 branches in 21 states. The combined branch figure does not identify the Cadence-only network or local service capacity by market. Cadence contributed \$43.530 billion in deposits at the acquisition date, according to Huntington's preliminary purchase allocation. This is an acquisition-date balance, not a measure of customer retention after conversion. [3]

Exhibit 1. Q2 2026 evidence and its limits

Reported item	Q2 2026 evidence	What it does not establish
Average deposits	\$223.403 billion; +9% sequentially and +37% year over year	Organic growth, Cadence-only retention, or synergy attribution; comparisons include Cadence and Veritex acquisitions
Cadence systems conversion	Completed in mid-June, according to Huntington	Customer experience, retention, or successful adoption by segment
Revenue synergies	Management reported "early revenue synergies" in Cadence markets	Amount, products, cohorts, channel, persistence, or causal contribution
Noninterest income	\$785 million, +15% sequentially	Cadence-specific fee growth or an effect of digital versus local coverage
Payments and cash-management revenue	Up \$17 million quarter over quarter, largely driven by interchange, per company commentary	Which acquired customers contributed or whether the increase was incremental cross-sell
Customer deposit and loan fees	Up \$18 million quarter over quarter, primarily due to loan commitment fees and personal service-charge volume	Cadence-market attribution or customer-level economics

Sources: Huntington Q2 earnings release and Q2 Form 10-Q. The deposit comparisons explicitly include Cadence and Veritex; they should not be read as organic growth or as a stand-alone synergy measure. Company-wide fee changes likewise do not isolate acquired-market results. [1, 3]

Two capabilities, different jobs

Huntington's transaction story combined local relationships and digital capabilities. Its 2025 annual filing described a people-first, local-bank model and identified competition, customer relationships, technology, integration, cybersecurity, and funding as relevant operating risks. The filings do not reveal how customers in Cadence markets use channels, which relationships were most at risk during conversion, or which products are most suitable for digital cross-sell. [4]

Local relationship-led growth could place bankers close to business owners, commercial customers, and households seeking advice or continuity. Local knowledge may help identify needs that standardized campaigns miss, while established relationships may support referrals into treasury, payments, lending, wealth, or other services. The trade-off is that local coverage depends on people and execution; practices may vary across markets and take time to scale.

Standardized digital-led growth could offer customers a consistent path to activate accounts, use digital services, and discover additional Huntington products across a much wider geography. Common journeys can support repeatable execution and reduce friction for routine needs. But a digital-first offer may be a poor fit for customers who rely on in-person advice or who are still resolving conversion issues. A click, product opening, or balance increase alone would not demonstrate a primary relationship or attractive economics.

A segmented hybrid could standardize technology, compliance, service controls, and core product journeys while preserving local discretion for relationship-intensive segments and markets. This may combine reach with continuity, but creates coordination and measurement challenges: teams need clear ownership of a customer, a market, and the outcome being measured.

Interpreting the evidence

Two academic studies suggest why a single channel assumption may be risky. Jiang, Yu, and Zhang study U.S. bank competition during staggered 3G expansion. They report different branch and pricing responses by banks' prior branch reliance and discuss inclusion effects for older depositors. This historical mobile-technology setting does not estimate current app adoption or Huntington's merger integration, but it supports measuring customer and channel outcomes by segment. [5]

Calzada, Fageda, and Martínez-Santos examine U.S. bank mergers and local branch density from 2000 to 2020. Their results vary with merger overlap and local context. The study can inform questions about market-level effects, but branch density is not the same as customer retention, service quality, or revenue synergy. It does not establish that reducing or preserving a particular network is optimal for Huntington. [6]

The evidence permits competing interpretations. The reported early synergies could reflect effective transfer of Huntington products and capabilities into Cadence markets. They could also be early, unquantified management observations that are difficult to distinguish from acquisition scale, market movements, or ordinary legacy growth. The quarter's acquisition-inclusive deposit growth is real as reported, but it does not resolve that attribution question.

Likewise, local coverage could protect relationships and uncover needs that digital campaigns miss; or it could consume scarce capacity without measurable incremental growth. Digital services could improve access and repeatability; or they could produce low-engagement accounts and miss customers who value advice. A consistent platform could ease execution,

while excessive standardization could overlook market or customer differences.

Exhibit 2. A decision and measurement map

Strategic emphasis	Where it may fit	Evidence to request before expanding
Local relationship-led	Commercial and small-business customers; advice-intensive needs; markets where continuity or local knowledge matters	Cadence-originating customer retention, referrals, product use, banker capacity, service outcomes, and relationship economics by market
Digital-led and standardized	Routine service and product discovery; customers comfortable with self-service; repeatable journeys across markets	Digital activation and repeat use, funded-account conversion, primary relationship, incremental product adoption, attrition, support needs, and cost to serve
Segmented hybrid	Standardized core platform plus local coverage where segment or market evidence supports it	Cohort comparisons across channels and markets, clear customer/team ownership, and service-quality and economic results by segment

All proposed measures are decision criteria for students, not Huntington's disclosed internal metrics or targets. Public evidence does not supply baseline cohorts or a threshold for success.

Recommendation

Choose which model should lead Huntington's next phase of growth after conversion. Explain how your approach handles consumer, small-business, and commercial customers; how it preserves continuity while enabling cross-sell; and how it distinguishes acquired balances from organic customer growth. Identify a small number of decision gates, the strongest objection to your recommendation, and the evidence that would make you change course.

Any pilot size, target, timetable, market selection, or performance threshold is a classroom assumption. There is no public evidence establishing an optimal channel mix or quantified Cadence synergy value. Students should make a contingent recommendation, not claim that one alternative is proven best.

Discussion questions

1. What customer relationships and needs should Huntington prioritize after conversion? Which may be served differently through local and digital channels?
2. Which growth model should lead: local relationship-led, standardized digital-led, or a segmented hybrid? What is the strongest argument against your choice?
3. How should management interpret the reported deposit and fee growth alongside its “early revenue synergies” statement? What can and cannot be attributed to Cadence or to a channel?
4. What evidence gates would distinguish durable primary relationships and incremental cross-sell from acquisition scale, migration, or temporary activity?
5. How would you design a market or customer pilot that protects service quality and allows Huntington to adjust its growth emphasis?

Sources and conventions

[1] Huntington Bancshares Incorporated, “[Reports 2026 Second-Quarter Earnings](#)”, July 23, 2026, Exhibit 99.1 to Form 8-K, accession 0000049196-26-000060. See Q2 highlights and CEO commentary, pp. 1-2; Q2 tables and management discussion, pp. 1-8. “Early revenue synergies” is attributed management language.

[2] Huntington Bancshares Incorporated, “[Huntington Bancshares Incorporated to Acquire Cadence Bank](#)”, October 27, 2025. See strategic rationale, markets and stated branch/local-banker/digital intentions, paragraphs 1-12. The no-closure language is an announcement-time intention.

[3] Huntington Bancshares Incorporated, [Q2 2026 Form 10-Q](#), quarter ended June 30, 2026, filed July 28, 2026, accession 0000049196-26-000066. See company overview and branch footprint, pp. 3-5; MD&A, pp. 20-29; Note 3, “Business Combinations,” pp. 46-52. Combined deposit comparisons include acquisitions.

[4] Huntington Bancshares Incorporated, [2025 Form 10-K](#), year ended December 31, 2025, filed February 13, 2026, accession 0000049196-26-000015. See Item 1 and Item 1A, pp. 3-21. This filing predates Cadence’s February 2026 closing.

[5] Erica Xuewei Jiang, Gloria Yang Yu, and Jinyuan Zhang, “Bank Competition Amid Digital Disruption: Implications for Financial Inclusion,” *The Journal of Finance* 81(4) (2026), 1951-2004, [DOI](#). See §§II-V, Tables III-VII. Historical 3G evidence; not a Huntington forecast.

[6] Joan Calzada, Xavier Fageda, and Fernando Martínez-Santos, “Mergers and bank branches: two decades of evidence from the USA,” *Empirical Economics* 64 (2023), 2411-2447, [DOI](#). See §§3-5, Tables 2 and 4-8. Broad U.S. merger evidence; branch density is not a customer or synergy outcome.

The information cutoff is July 28, 2026. No later results or outcomes are included. Reported company facts, management statements, academic estimates, and classroom assumptions are identified separately. This is a strategy case only; no financial case or Excel workbook is included.